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# The ORIENTAL ECONOMIST

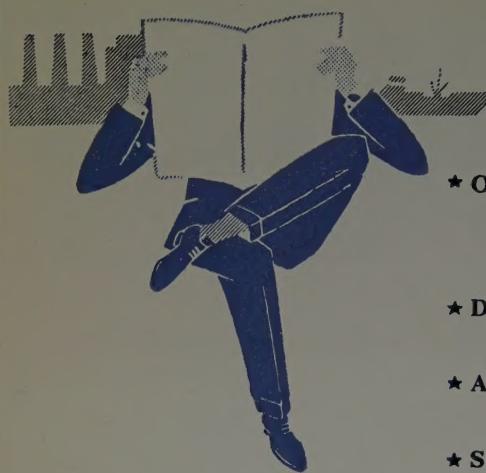
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MAY, 1960

No. 595





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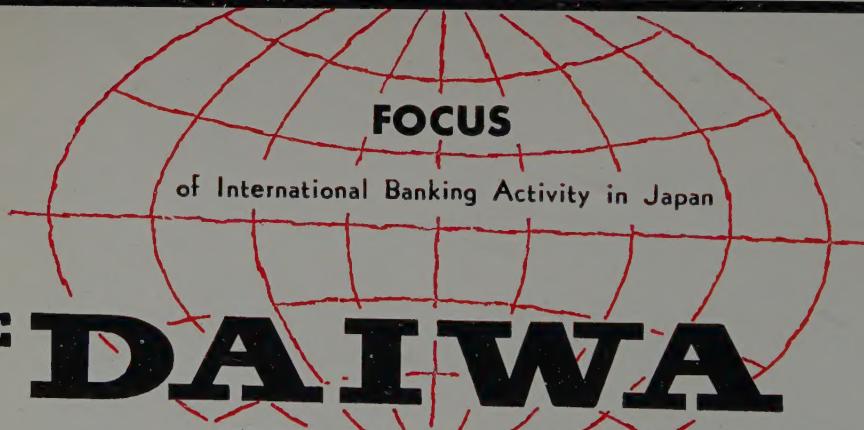
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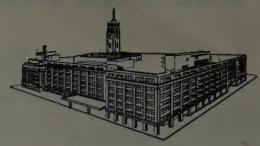
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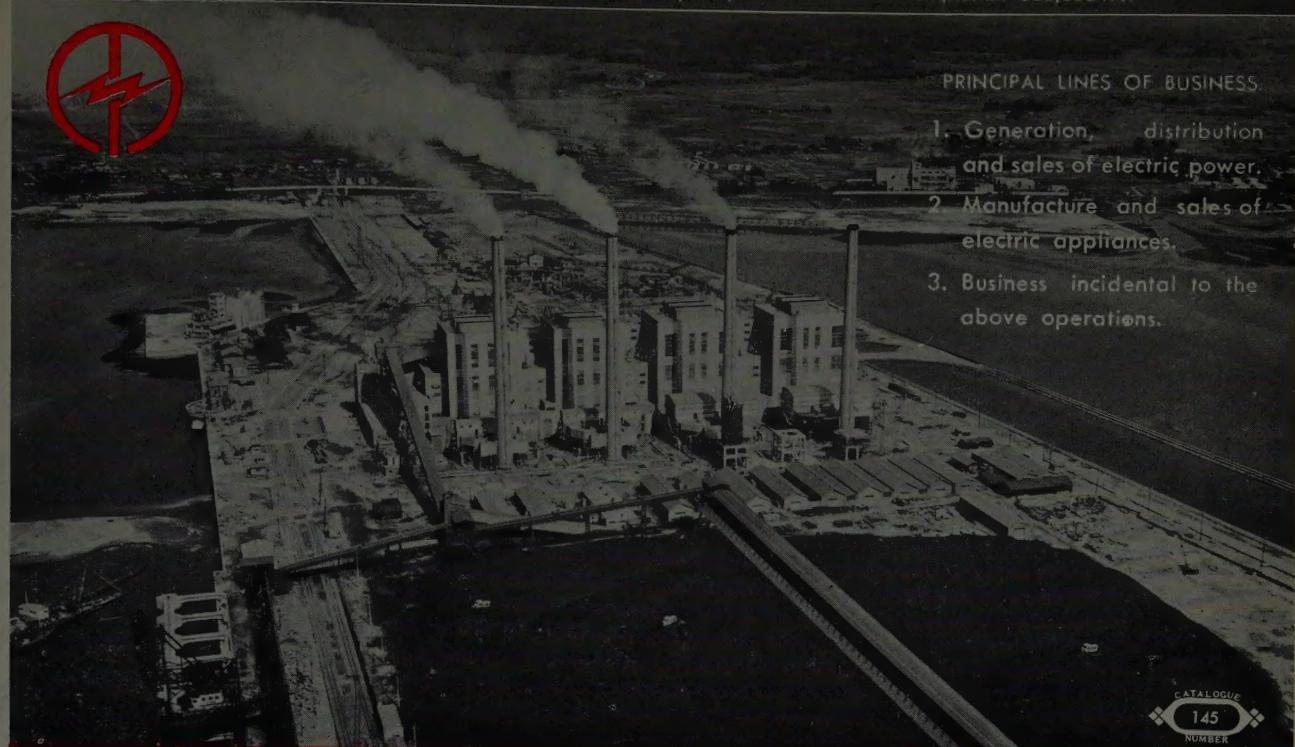


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## *Foreword*

The year of 1959 was a year especially memorable for Japan's national economy, as her industrial production (manufacturing & mining inclusive) in that year increased not only at a pace unprecedented in history, but also at a tempo well eclipsing the hike in other countries of the world. The year of 1959 was also a year highly blessing to Western countries, as their production increasing rates were kept generally high. For instance, the 1959 production in Britain was 5.7% higher than in 1958, in France it was 5.9% larger, and in West Germany it was 7.3% up. In the United States, the increasing rate stood at as high as 12.8%, an encouraging result even considering the 1958 stalemate. The production gain in Japan, however, was far more outstanding, as it stood at 24.1%, or nearly double the increase in the United States.

The increasing tempo of production in Japan has continued unabated, at least until the early part of 1960, although it is not expected to continue equally energetic in many months to come. The problem is how and when the onward march of production in this country will begin to mark time. In this respect, however, general views are not particularly pessimistic, as Japan is still sufficiently prepared to share in world prosperity if the international trade volume continues to swell at the pace as witnessed in 1959.

It is particularly noteworthy that an efficient and large labor force is waiting for new employment in Japan, and the restraint by the shortage of labor, as is the case with Europe and the United States, has not as yet become apparent in this country.

We are happy to be able to publish another special issue commemorating the founding of *The Oriental Economist* at this time when the Japanese economy still continues to stand in such a favorable climate.

*May, 1960*

**Shuzo Watano,**  
*President & Editor,*  
*The Oriental Economist*

# The ORIENTAL ECONOMIST

VOL. XXVIII

MAY, 1960

No. 595

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## Review of the Month

MAY 22 this year marks the centennial of the exchange of ratification of a U.S.-Japan treaty of amity and commerce in Washington in 1860 between a Japanese diplomatic mission headed by Niimi Bungonokami and the U.S. Government. In celebration of the centenary of

### CENTENNIAL OF U.S.-JAPAN AMITY

the formal start of friendly relations between the two countries, many commemorative events are taking place in the United States and Japan in May through June. In the course of the past century, relations between the two countries across the Pacific have been very close and friendly, except for a certain period barred by the deplorable outbreak of the Pacific War. In economic relations, Japan's export trade before the war (the average for 1934-36) depended on the United States for about 24.0%, and the latter supplied some 34.0% of the former's imports. On the prewar list of Japan's trading partners, the United States ranked second, next only to China, in her exports and placed first in her imports.

Japan-American economic relations have become closer after the Pacific War, and some 30.0% of Japan's export shipments in 1959 were bound for the United States and 31.0% of her imports also came from that country. With no other countries has Japan been trading on such a bulky scale. Inseparable relations between Japan and the United States after the war have not been confined merely to the trading phase, as other economic exchanges such as capital investments and technical induction have become markedly aggrandized in scale. Japan's induction of American knowhow has been particularly notable in recent years. During the period of 10 years from 1950 through 1959, the Japanese Government licensed 975 cases of induction of overseas knowhow, of which the United States accounted for 590 cases, eclipsing other countries by far. Japan is being called upon to further modernize and rationalize her industries in order to cope with the rising tide of international trade liberalization, and to that end, more positive induction of foreign capital and technique is considered inevitable, as any neglect in this phase will degrade the competitive strength of Japanese commodities and compels Japan's retreat from the international arena. The debut is certain of another economic sphere in the world through the advent of the European Common Market, for which preparations are in full swing, equal in scale to the existing two gigantic economic spheres respectively led by the United States and the Soviet Union. At this juncture, therefore, Japan alone is not allowed to sit on the fence for long, as the further expansion of the industrial scale and the fresh elevation of technological standards will, then, be deadlocked through the lack of proper outlets for Japanese products, and Japan will eventually be left economically isolated. It is necessary for Japan, therefore, to renew her efforts for developing new markets for her exports. It is incumbent upon Japan now to try to accelerate the active flow of American capital and technique for the advancement of her industrial level on the one hand and to participate in the economic growth of developing countries in Southeast Asia and other areas with her own capital and technique for the import of necessary raw materials and the export of finished products on the other. President Eisenhower is planning to visit Japan in June on the occasion of

the centennial undoubtedly for the furtherance of friendly relations between the United States and this country. Japan on her part should make good use of this rare chance to further deepen the United States' understanding for Japan's economic growth.

THE decision by the Liberal-Democratic Party to push the bill for the ratification of the Japan-U.S. Security Pact through to the Diet approval during the current session, made at a meeting of its Diet members on April 15, has

**DIET SESSION IN FINAL STAGE** thrown the ruling party and the Opposition into a frontal clash.

In order to obtain the Diet approval of the ratification bill at the current Diet session, the ruling party is called upon to get it passed in the Lower House 30 days before the closing of the session so that the spontaneous passage at the House of Councillors is assured. With the current Diet session due to close on May 26, therefore, it was necessary for the bill to be passed by the House of Representatives on or before April 26 (under the Japanese Constitution, treaties and the budget bill, approved by the House of Representatives, are considered spontaneously approved by the Diet after the lapse of 30 days following the date it was referred to the House of Councillors). In these circumstances, the ruling party decided to summon witnesses to testify for the security treaty at the meeting of the security pact special committee in the House of Representatives on April 20 to pave the way for the voting on the ratification bill so that the debate on the bill in the Lower House may be brought to an end and that chairman Saeki Ozawa of the special committee may make an interim report on the bill at the Lower House's plenary session. It appears that the ruling party reached the decision to push the bill through the Lower House by forcing a swift vote on it at a stroke at the demand of the tough elements within the party who claimed that it would save the trouble of going through the complicated procedures of forcing the suspension of interpellations or extending the Diet session which would otherwise become necessary.

The Socialist Party, opposed to the treaty ratification from the start, attempted to obstruct the ruling party's design by resorting to force. Public opinion also appeared to disfavor the ruling party's plan. It was at this juncture that Speaker Ichiro Kiyose of the House of Representatives offered his mediation terms—the compilation of a definite schedule for debates on the security pact and the withdrawal of the motion for an interim report by the Liberal-Democratic Party. The three parties (the ruling party, the Socialists, and the Democratic Socialists) accepted the mediation plan, and the Diet session was restored to normal. Meanwhile, the Liberal-Democratic Party and the Democratic-Socialist Party are interpreting that the mediation is designed to have all interpellations suspended on May 10 through 15 while the Socialist Party rejects such an "understanding." Hence, another clash is considered inevitable. The Socialists, determined to stop the ratification of the pact at all hazards, are not expected to approve any proposals favorable for the passage of the ratification bill. If the ruling party is ready to show full sincerity by continuing debates on the bill, the trend of public opinion will become far better even in the case of another clash with the Opposition. In any way, the time of the passage of the ratification bill by the House of Representatives, originally set on April 26 by the Administration party, has been delayed until about May 10 through 15, and the extension of the current Diet session until June 10 through 15 appears unavoidable to get the "grace" of 30 days after the bill is referred to the Upper House.

Regarding the ratification of the ILO Convention No.

87, another controversial issue at the current Diet session, the Government declared that the bill concerned would be submitted to the Diet on April 28, together with the revision bills of the related domestic laws (the National and Local Public Service Laws, the National and Local Public Corporation Labor Relations Law, and the Railway Business Law). In connection with the controversial problem of employees on the payrolls of national or local public services to work as executive officers of the related unions, it appears that the compromise was reached among government leaders to give a grace period of three years, although such a practice should be stopped as a rule.

THE Miike colliery dispute has entered upon a new stage by the decision of Tanro (Japan Coal Miners Union: 200,000 members) on the rejection of the Fujibayashi mediation plan and the continued support to disputant miners

**LABOR DISPUTE AT MIIKE COLLIERY** national convention. The decision, however, was made possible only after very hard sledding, as the proceeding of the convention was so confused that the session, originally scheduled for two days, April 8 and 9, had to be extended to 10 days. The deadlock of the convention was attributable to the bitter division of opinions between the Federation of Mitsui Coal Miners Unions (commonly known as Sankoren: 35,000 strong), which insisted on the acceptance of the Fujibayashi mediation plan for the settlement of the Miike colliery dispute, and workers unions of 13 other leading coal mining companies, which demanded the rejection of the plan, the rivalry which continued unsolved until the day of the convention. Sankoren held that the Miike colliery dispute is a hopeless struggle which, if left unsettled for long, would simply aggrandize the misery of strikers and would eventually lead to a miserable defeat for disputants. Unions of 13 other leading collieries, on the other hand, adhered to the view that the acceptance of the mediation plan which approves the dismissal of specified workers (as demanded by management) would dishearten union workers at Miike and would consequently disrupt future struggles by union members to the resultant blow on the drive against rationalization of industry sponsored by the coal miners union. These are the stands on which the two rival groups have remained opposed. Sankoren comprises six collieries under Mitsui Mining Co., Ltd., namely: Miike, Yamano, Tagawa, Sunakawa, Ashibetsu and Bibai. With the exception of the Miike mine (membership, 14,000), other five mines (combined membership, 21,000) are desirous of bringing the Miike dispute to an early settlement so that an abnormal state of affairs such as wage payment delays and the suspension of term-end bonuses may be quickly ended. To the five mines, the procrastination of the dispute at Miike, the best of all collieries on Mitsui's list, is a big embarrassment, while the delay of the dispute settlement at Miike will profit other coal miners and their unions. In these circumstances, the five Mitsui mines are chagrined at other unions abetting Miike disputers while they are unable to stage any struggles against their own companies. As Japanese trade unions are organized on the basis of companies or enterprises, however, it is only natural that many unions should give consideration to the interests of their employer enterprises for the reason that the collapse of the enterprises means their unemployment. In this connection, it is well noted that the Miike dispute has shown the limit of the struggles by unions based on enterprises. The rivalry between enterprise-consciousness and industry consciousness has

proved to be a difficult problem which cannot be solved even within the Japan Coal Miners Union, the strongest of Japanese trade unions, indicating also the limit of the labor movement in this country. Well understanding delicate internal conditions within the union, Sohyo did not openly demand it to reject the mediation plan, but its "covering fire" was persistent. Now that the Union has decided to reject the mediation plan, Sohyo's support to Miike disputers will be redoubled in scale. The coal miners union itself is scheduled to meet again in the middle part of May to decide on the future struggle plan, while its 13 member unions organized by workers of 13 leading coal mining companies will raise aid funds for Miike by collecting ¥600 monthly from each worker.

The Miike colliery dispute originated from the demand made by Mitui Mining Co., Ltd., inviting 4,500 workers willing to retire voluntarily at its six collieries (Miike, Yamano, Tagawa, Bibai, Sunakawa, and Ashibetsu). With the number of workers ready to resign reaching the desired level at five collieries other than Miike, the company changed its policy later and decided to specify the workers to be dismissed at Miike. When it became clear that among the "specified workers" at Miike were included 300 union leaders (which the company calls "production interrupters"), the early settlement grew increasingly difficult. On November 21, 1959, the Central Labor Relations Committee (then headed by Dr. Ichiro Nakayama as chairman) submitted a mediation plan, asking the company to invite 1,200 workers ready to retire voluntarily without forcing them to resign by designation, but this mediation plan was rejected by both labor and management. The company on December 10 sent out the notice of dismissal to specified Miike workers, and declared a lockout at the Miike colliery. On the same day, the Miike workers union has gone on strike indefinitely. On March 17, the Miike workers union was split, and the second union was born (membership, 5,000), and the company decided to resume production by mobilizing members of the second union. At the request of Tanro for mediation, the Central Labor Relations Committee (Keizo Fujibayashi, chairman) drafted, a mediation plan providing that the workers (previously designated) voluntarily retire without the process of specified dismissal. The mediation plan was accepted by the company, but rejected by Tanro, followed by the declaration by the Miike workers union to leave Sankoren. In the future, therefore, Miike disputers are required to continue the struggle by depending on funds donated by Sohyo and Tanro, but the outlook is apparently against them. In this context, it should be noted that coal mining in Japan is an industry on the wane, to be washed away by the surging tide of revolution of energy, and is not expected to survive without drastic rationalization. Hence, it is almost next to impossible for trade unions in the industry alone to oppose the general trend of economy. Another handicap to Miike disputers is the struggle mechanism of Tanro itself. With Sankoren slipping out of the support line, and with the disputers threatened by the birth of the second union the situation may become critical to Tanro itself and other unions under its aegis. In such a case, it is problematic how long they are to continue their aid to Miike disputers. The outlook is thus very dark for the Miike dispute.

THE Headquarters of the Martial Law Commander of the Republic of Korea announced on April 21 that the casualties by the anti-Government riots in South Korea comprised 114 killed and 748 injured. According to re-

**ANTI-GOV'T. RIOT** ports by foreign news agencies, IN SOUTH KOREA the casualties mostly occurred in Seoul, and the number of killed is estimated comfortably larger, including those who died after having been hospitalized. The origin of the present disturbance may be traced back to a demonstration staged by students in the city of Masan on March 15, protesting against the illegality of the presidential election held on the same day. This demonstration, which caused seven killed and scores injured, however, was apparently brought to settlement by the punishment of responsible police authorities. When the dead body of a student missing since the demonstration was found on the beach near Masan, another riot broke out in that city on April 11, followed by the outbreak of similar riots in other cities and culminating in the April 19 disturbance in Seoul. The Korean Government immediately declared full martial law and mobilized troops in Seoul and five other key cities to suppress riots. The state of affairs in South Korea must have been excessively unbearable in view of the intensity of the anti-Government movement by the people. Although the direct cause of the riots may be traced to a series of injustices such as the governmental intervention in the presidential election on March 15, the outburst of the public indignation against the Rhee regime is considered basically responsible. Strong oppression on political enemies and rigorous restrictions on the freedom of speech and association in South Korea have been internationally criticized. It may be judged in this connection that the present disturbances in Korea are the manifestation of public agony and discontent by direct action by the Korean people who have been deprived of the hopes of forcing the exit of the Rhee regime by legal and diplomatic means. The United States, the "step-father of South Korea," was apparently disturbed enough by the riots. Close on the heels of a statement by the U.S. Embassy in Korea declaring that the public dissatisfaction was justifiable, U.S. State Secretary Christian A. Herter also issued a statement urging the South Korean Government to take necessary and effective measures to protect democratic rights of the people in order to restore public confidence.

As the present riots in South Korea were not systematically planned and organized but were the spontaneous manifestation of public indignation, it appears to be comparatively easy for the military or police forces to bring them under control. Suppression by force, however, will not succeed in effacing the strong sentiment of dissatisfaction deeply rooted in the hearts of the masses against dictatorship. How President Rhee may endeavor to save the situation remains to be seen, but no real settlement of the problem is possible without the removal of the sentiment of dissatisfaction which stands at the root of the anti-government movement.

We are particularly attentive to the anti-government riots in South Korea not simply because we are deeply sympathetic for the deplorable incident in a neighboring country, but also because of the close resemblance between the cause of the disturbances and the high-handed policy being adopted by the Rhee regime toward Japan.

Strong diplomacy is a common and old trick of dictators. Most severely troubled by this trick by the Rhee regime is Japan. High-handed diplomacy adopted by the Rhee Government toward Japan since the war's termination has been intolerably excessive. It is partly for that reason that we are watching with close attention the future change in Rhee's policy toward Japan because of the latest riots.

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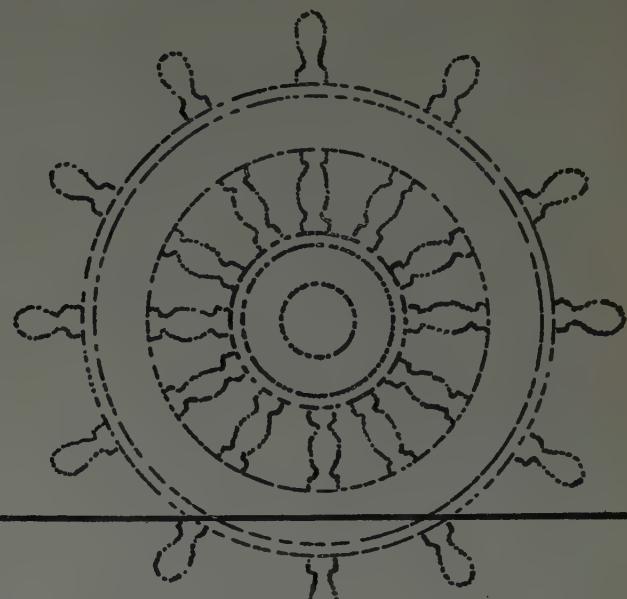
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## Business Indicators

**Wholesale Prices:**—Wholesale prices continued soundly stable into April. The weekly wholesale price index of the Economic Planning Agency in the first week of April stood at 166.7 (June, 1950=100) in the first week of April, remaining almost unchanged at the level for the fourth week of March, although it stood 0.5% higher than the index for the first week of March. In following the movement of wholesale prices by group in the one month under review, however, no perceptible gains were recorded except by foodstuffs which, up 2.7% in the interim, accounted chiefly for the hike of the composite index, as the average index with foodstuffs excluded were noted to be 0.2% lower. The boost of the foodstuffs group was caused by the climb of perishables due to the seasonal wane of deliveries. With perishables bound to slip and other groups not likely to make any particular hike, the prices are expected to continue bearishly intact for some time to come, except minor transitions. Meanwhile, the individual wholesale price index in the first week of April was up 0.9% each for textiles and chemicals over a week ago and 0.6% higher for sundries, but 1.2% lower for building materials, 0.8% down for fuels, and 0.2% down for metals. Textiles grew stiff because of the activation of inquiries from Indonesia for export spun rayon yarn and the improvement of market tones for cotton yarn, rayon filament yarn and woollen yarn, while the advent of the demand season for chemical fertilizers accounted for the push of chemicals. The soaring of the prices of rubber goods was responsible for the advance of sundries. On the other hand, the fall of lumber principally damped building materials while metals slipped primarily because of the dives of steel shapes, blacksheets, electrolytic copper and brass products. Also weak were other metals like tin, lead and zinc apparently under the impact of the collapse of overseas markets.

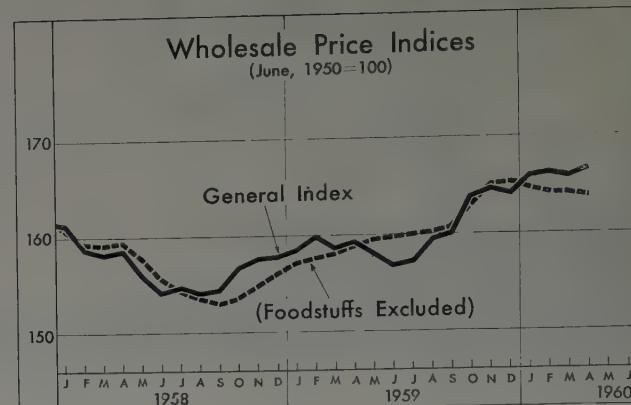
### 1. Weekly Wholesale Price Indices

(June, 1950=100)

	April 1st Week	Preceding Week	March 1st Week	March 1st Week, 1959	Compared with (%)
Composite . . . . .	166.6	Intact	0.5	4.5	
Foodstuffs . . . . .	175.6	0.1	2.7	7.6	
Textiles . . . . .	77.9	0.1	0.9	2.8	
Fuels . . . . .	169.4	~0.2	~0.8	0.3	
Metals . . . . .	240.5	~0.1	~0.2	3.1	
Machinery . . . . .	186.9	Intact	Intact	0.5	
Bldg. materials . . . . .	271.6	"/	~1.2	10.5	
Chemicals . . . . .	104.0	"/	0.9	5.3	
Sundries . . . . .	149.7	"/	0.6	10.3	
Composite (Foods excluded) . . . . .	163.9	~0.1	~0.2	3.6	
Producer Goods . . . . .	171.9	Intact	~0.1	3.3	
Consumer Goods . . . . .	157.3	"/	1.6	6.9	

Source: Economic Planning Agency.

**Production & Inventory:**—The industrial production index (mining and manufacturing inclusive: 1955=100) of the Ministry of International Trade & Industry stood at 217.1 for February, increasing 12.0% over January (up 0.4% when adjusted to seasonal variations), and 31.9% higher than a year ago. The individual production index in February (before adjustment to seasonal variations) perked up particularly for foodstuffs which stood 55.1%



### 2. Industrial Production Indices

(1955=100)

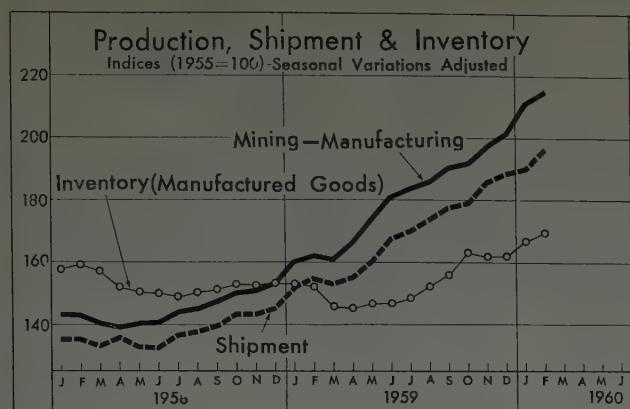
	February, 1960	January, 1960	February, 1959 (as 100.00)
Mining & Manufacturing . . . . .	217.1	112.0	131.9
Mining . . . . .	121.8	104.5	102.8
Coal Mining . . . . .	113.8	102.8	96.4
Metal Mining . . . . .	134.1	110.0	114.4
Manufacturing . . . . .	225.1	112.3	133.6
Iron & Steel . . . . .	191.3	101.2	134.2
Non-ferrous Metals . . . . .	195.3	100.1	127.1
Machinery . . . . .	388.0	114.1	155.4
Ceramics . . . . .	178.3	108.2	133.3
Chemicals . . . . .	178.0	100.5	122.3
Petroleum Products . . . . .	289.1	103.3	150.3
Coal Products . . . . .	159.5	95.3	120.7
Rubber Goods . . . . .	222.2	108.6	137.2
Hides & Leathers . . . . .	117.4	116.7	98.7
Pulp . . . . .	172.0	103.5	124.0
Paper . . . . .	173.6	103.5	118.6
Textiles . . . . .	155.6	106.7	122.7
Sawing . . . . .	119.1	107.6	105.6
Foodstuffs . . . . .	219.7	155.1	117.2

Notes: February figures provisional: Not adjusted to seasonal variations.

Source: MITI.

higher than a month ago primarily due to the soaring of alcoholic drinks. Another notable gainer in February was the machinery group with the index up 55.4% over a year ago, and 2.5 fold the 1955 average. In this group, automobiles and household electric appliances especially forged ahead. The February production of iron and steel products remained almost stationary at the January level, but was 34.2% higher than a year ago. Equally remarkable was the showing of petroleum products with the February index standing at 289.0 against the 1955 average and up 50.0% over a year before. Comparatively restricted were the gains of chemicals and textiles, but their indices for February were still over 20.0% higher than a year ago. Coal mining was the lone loser in February, as strikes at some collieries against personnel adjustments and an explosion at a Hokkaido coal mine offered major dampers.

Shipments by producers in February continued brisk. The shipment index of the Ministry of International Trade & Industry (1955=100) stood at 187.3 for February, rising 7.7% over January. The index, after adjustment to seasonal variations, still stood 3.7% higher at 198.2 than January, well above the like increase registered by production. As a result, the index of manufactured goods inventories in hands of producers (mining and



manufacturing inclusive) after adjustment to seasonal variations receded marginally by 0.8% from a month ago, although the index before adjustment was 7.1% higher at 173.0. With the supply-demand balance more or less harmoniously maintained for almost all major products, coal alone threatened to become undersupplied in February, as the shipments during the month reached a high level of 4,600,000 tons against the production at 4,000,000 tons. Consequently, coal inventories at collieries dwindled 700,000 tons in February to the month-end balance of 2,557,000 tons to the eventual exit of overstocks which had been semi-chronic for some time. Meanwhile, inventory replenishments of raw and processed materials by manufacturers progressed smoothly with the index of such inventories (1955=100) registering 181.2 at the close of February, up 1.3% over a month ago and 14.0% higher than a year before. The month-end inventory rate (the rate of month-end inventories vs. the monthly volume of consumption) in February remained nearly unchanged at about 100.0, indicating the satisfactory pace of inventory replenishments through imports or domestic procurements to cope with the hiking consumption of raw materials.

**Equipment Investments:**—With the national economy continuing in active swing for a year and a half, two problems have apparently come into the limelight—plant-equipment investments and foreign trade. According to a recent survey conducted by the Ministry of International Trade & Industry of 1,500 leading industrial corporations, the total amount of plant-equipment investments by major industrial enterprises (including electric power, gas and manufacturing) in fiscal 1960 will aggregate ¥1,245,000 million, up some ¥320,000 million or 37.0% over the like investments in fiscal 1959 at ¥913,000 million. The increase in 1960 is far larger than the gain in 1959 over 1958 at ¥210,000 million or 30.0%. In closer analysis, the plant-equipment investments in fiscal 1960 may be divided into ¥640,000 million in the first half (April through September, 1960) and ¥610,000 million in the second half (October, 1960 through March, 1961). Of the total spending for plants and equipments in fiscal 1960, projects continued from fiscal 1959 take some 65.0% while new projects take 35.0%, a change from fiscal 1959 when such spendings were almost equally divided between continued and new projects. Industrially classified, electric power and iron-steel take the lion's share in plant-equipment

### 3. Equipment Investment Plans by 1,500 Firms (In ¥100 million)

	Fiscal 1959	Fiscal 1960
Electric Power	2,520	2,850
Coal Mining	270	320~30
Iron & Steel	1,600	2,000
Petroleum Refining	370	600~10
Petrochemicals	320	820
Ammonium Sulphate	170	220
Synthetic Fibres	280	310
Automobiles	300	580
Electric Machinery	320	440
Communication Machinery	280	370
Paper & Pulp	390	550
Cement	210	250
Others	2,100	3,100
Total	9,100	12,460

Notes: Fiscal 1959 partially estimated; Fiscal 1960 planned.

Source: MITI.

spendings in fiscal 1960, but the increasing rates are more conspicuous for petroleum refining, petrochemicals, automobiles, and paper and pulp. Also brisk are fiscal 1960 investments in electric machinery and telecommunication equipments. Whether the actual investments may reach the scheduled total remains to be seen, but it is considered certain that the scale of plant-equipments investments in fiscal 1960 will comfortably eclipse the like spending in fiscal 1959 appears certain.

**Trade & International Payments:**—Japan's balance of international payments (including usance bills) stood in the red for the first time in many months in January (\$29 million) and in February (\$5 million) to the surprise of Japanese financiers and businessmen who fear that the continuance of the unfavorable balance may cause the adoption of a tight-money policy and eventually may lead to the advent of depression again. The unfavorable balance of international payments in these two months is not particularly discouraging in view of various related figures. According to the Bank of Japan, the international payments balance is likely to stand in the black in March and April in view of the movement of Ls/C for exports and imports. Although Japan's imports have continued to stay at a high level, exports have been increasing at a similarly active pace. To give a more concrete example, import Ls/C in March increased to \$264 million from February's \$235 million, but export Ls/C made a sharper gain from \$259 million to \$331 million in the interim. Export validations by the Ministry of International Trade & Industry in March totalled \$325 million, increasing 9.4% over February and up 16.7% over the corresponding month a year ago, while the total amount of exports validated in fiscal 1959 (ending March, 1960) also increased 23.4% over fiscal 1958 to \$3,600 million. Taking these transitions into account, export trade is bound to continue fair and the international payment balance is not likely to grow particularly adverse at least in the foreseeable future.

### 4. Foreign Exchange Receipts & Payments

(In million dollars)

	Exports		Imports		Actual Balance
	Ls/C	Exchange	Ls/C	Exchange	
1959—January . . .	215	202	162	215	16
February . . .	210	229	201	200	65
March . . .	267	266	222	223	40
April . . .	223	227	205	211	7
May . . .	250	243	216	219	↔ 5
June . . .	247	278	205	235	33
July . . .	266	275	220	246	45
August . . .	260	271	190	246	↔ 15
September . . .	269	285	193	251	52
October . . .	264	299	223	259	74
November . . .	256	280	229	268	34
December . . .	294	310	294	284	1
1960—January . . .	255	250	213	257	↔ 29
February . . .	259	273	235	273	↔ 5
March . . .	331	..	264	..	..

Notes: Balance—receipt excess: ↔ payment excess.

Source: Finance Ministry.

## Money & Banking

**Money in March:**—The money market was kept busy throughout March due to the brisk movement of funds usual in the last month of a fiscal year (March marking the close of fiscal 1959). The withdrawal excess of financial funds by far eclipsed the like excess in the corresponding month in 1959, and the note issue registered an increase four-fold a year ago. The demand for funds in March also exceeded the supply for ¥63,200 million, double the supply shortage a year before. As a result, Bank of Japan loans swelled ¥60,900 million in March to the month-end balance of ¥425,600 million. Well reflective of the fund supply-demand transitions, the call market continued tight.

**Note Issue Up:**—The note issue in March increased ¥10,800 million, some four-fold the like hike in March, 1959 (at ¥2,700 million) and more than double the originally-expected gain of ¥5,000 million. The reflux on the other hand was dull, and the March-end balance was 15.9% higher than a year ago with the average balance for the month also up 14.6%.

With money thus kept busy, however, there were no particularly noteworthy spurts in evidence during the month except for the payment of welfare annuities. Hence, the busy money situation in March is taken to have been attributable chiefly to the continuous elevation of the income level and the consequent hike of the consumer spending scale.

**Withdrawal Excess Bulky:**—In the transition of financial funds, Treasury payments in March (marking the last month of fiscal 1959) moved almost as expected, while the Treasury income bulged at a remarkably active tempo due to the fair inflow of tax payments led by the corporate tax for companies settling half-year accounts in December, 1959. Thus, the Treasury-to-public balance during March reached a large total of ¥52,400 million, some ¥38,000 million larger than a year ago and ¥16,400 million larger than originally estimated. The increasing rate of tax income in March, this year, thus stood at 33.0%, fairly above the peak in the past few years (32.3% in December, 1956). It appears that the boon of the latest business boom has at last come to fully boomerang on the Treasury income from taxes. The foreign exchange account, which had in February registered a receipt excess for the first time in many months, again registered a payment excess in March to the amount of ¥11,600 million due to another favorable turn in the international payments balance. This was somewhat smaller than the like payment excess of ¥15,200 million in March, 1959, but still well larger than the originally-estimated ¥9,000 million.

**BOJ Loans High:**—Against the background of such movements of financial funds and the note issue, the demand for business and industrial funds in March by far exceeded the supply, and led to a bulky increase of ¥60,900 million in Bank of Japan loans, far in excess of the like hike of ¥25,400 million a year ago. As a result, the outstanding balance of the central bank's loans as of

the end of March swelled to ¥425,600 million.

With the withdrawal excess of financial funds continuing to eclipse the reflux of bank notes, Bank of Japan loans kept on swelling from the start of March and the outstanding balance reached ¥439,500 million as of March 7, although it gradually dwindled and stood at ¥412,700 million as of March 14, partly because of the inflow of payment reserve deposits by city banks. With the note issue growing brisk again, however, the outstanding balance again rose to ¥473,200 million on March 30 to hit the month's peak. On the following day, March 31, however, the balance declined sharply by ¥47,600 million on the strength of a bulky payment excess of financial funds and deposit gains. With the loan balance thus staying on the ¥400,000 million mark and the fund supply remaining short, call rates stood tight throughout the month.

**Money in Fiscal 1959:**—The national economy continued to follow the expanding keynote from the start of fiscal 1959 (April). The Treasury revenue continued fair as the steady permeation of the business boom enabled the income from various taxes (corporate, income, liquor and other taxes and customs duties) to increase at a brisk tempo. Income gains for the Monopoly Bureau and the National Railways also served to help the receipt excess for the Treasury. The Foreign Exchange Account, on the other hand, continued to register the payment excess of ¥151,300 million (as compared with the like excess of ¥193,500 million in fiscal 1958), with the result that the payment excess of financial funds for fiscal 1959 reached ¥133,300 million (vs. ¥251,000 million for fiscal 1958).

The Bank of Japan note issue tended upward in fiscal 1959 parallel with the increasing demand for cash for settlements as business continued to perk up and the steady climb of the income and consumer spending levels. Thus, the note issue increased ¥120,200 million (15.9%) in fiscal 1959, or nearly double the fiscal 1958 gain of ¥67,700 million (9.8%). The average balance of note issue for fiscal 1959 also increased 13.5%, nearly three fold the fiscal 1958 boost of 4.7%. With the payment excess of financial funds only marginally higher than the increase of note issue in fiscal 1959, and partly due to the impact of the payment reserve deposit system inaugurated in September, Bank of Japan loans in fiscal 1959 increased ¥13,300 million in sharp contrast to the ¥175,900 million decrease in fiscal 1958, and money was kept generally stiff throughout the fiscal year.

	Money in March (In ¥100 million)			
	March, 1960	March, 1959	Fiscal 1959*	Fiscal 1958**
Financial Funds . . . . .	△ 524	△ 3015	1,333	2,510
Short-term Bonds . . . . .	15	—	49	14
Bank of Japan Accounts . . .	616	323	△ 180	△ 1,847
Loans . . . . .	609	254	133	△ 1,758
Loan Balance . . . . .	4,256	4,123	—	—
Civilian deposits . . . . .	△ 189	△ 52	△ 333	57
Others . . . . .	203	131	80	△ 133
Total (Note Issue Movement)	107	27	1,202	677
Note Issue Balance . . . . .	8,766	7,564	—	—

Notes: △ decreases or withdrawal excesses; others increases or payment excesses.

Source: Compiled by *The Oriental Economist*.



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## Stock Market

**Share Prices Continue Stiff:**—The Dow-Jones average, which shattered the ¥1,000 mark in late February continued comparatively strong later and registered a new high at ¥1,071.92 on April 2. The stock market, however, was not particularly animated over the new hike chiefly because the soaring of share prices was not based on the overall activity of stocks in general, but was attributable to specific stocks, especially those scarcely supplied on the market. Leading shares like textiles, steels and shipbuildings, which served to give principal stimulants to the stock boom in the autumn of 1959, failed to make a full recovery out of the collapse at the close of 1959, and investors in general with bulky holdings of such "losing" stocks in hands have been watching the movement of the stock market despite the hith-pitched advance of the Dow-Jones average. As shown in Table 1 indicating the role played by 25 "short-supplied" stocks of the 225 pivots listed on the Dow-Jones tabulation in the latest increase of the average, the onward march of the Dow-Jones average from late January through March was chiefly ascribable to the soaring of the 25 stocks under review. But for the advance of such short-supplied stocks, the Dow-Jones average after the ex-dividend dive on March 28 would have stood at ¥937.39, well below the ¥1,000 mark.

**New "Scarcity Stocks":**—There was a certain change in the variety of the so-called "scarce stocks" as they stood in late January through February, and as they were pursued in March through April. In the former period, specific blue-chip and well-stabilized stocks with an extremely restricted volume left "floating" on the market took the initiative in the price movement at the stock market. Such stocks, subject to wide price fluctuations by marginal ups and downs in turnovers, had the strong character of speculative issues. In recent weeks since mid-March, however, traders have come to look upon

### 1. Role of "Scarce Stocks" in the movement of the "Dow-Jones" Average (In yen)

Date	Dow-Jones Averages	Dow-Jones Averages compared with previous day	Moves of 25 "Scarce Stocks"	Rise of Dow-Jones Average (A)	Rise of 25 "Scarce Stocks" (B)	(%) (B)/(A)
Jan. 4 . .	869.34	—	—	—	—	—
11 . .	918.63	6.33	↑ 0.61	49.29	11.27	22.86
20 . .	955.61	2.66	2.07	86.27	26.61	30.85
27 . .	953.93	2.67	4.02	84.59	36.17	42.76
Feb. 1 . .	962.70	5.57	3.49	93.36	47.42	50.79
13 . .	987.92	1.82	5.10	118.58	72.44	61.09
18 . .	976.59	↑11.53	↑ 1.38	107.25	82.74	77.15
20 . .	1,002.46	10.66	2.11	133.12	89.03	66.88
Mar. 1 . .	1,025.02	9.96	4.26	155.68	101.16	64.98
12 . .	1,016.62	6.58	5.36	147.28	103.03	70.00
18 . .	1,021.33	↑ 1.85	↑ 1.26	151.99	116.69	76.77
25 . .	1,040.93	1.41	2.90	171.59	121.25	70.66
28 . .	1,039.58	1.10	↑15.85	171.02	102.97	60.21

Source: Nikko Securities Co., Ltd.

some "growth stocks" of companies showing favorable business results and with further expansion expected through trade liberalization as new marks for their pursuits after scarce stocks. Among the latter group are musical instruments, potteries, cameras, electronics, calculators, bearings, and midget precision machines. Also chased by traders are some issues to be supported by the expansion of the national budget, like telephones, constructions, bankings, etc. On the list those "semi-scarce" stocks actively transacted in recent weeks were trading firms (like Mitsui Bussan), Motors (like Toyota Motor), electric machines (such as Tokyo-Shibaura Electric and Nippon Electric), petroleums (like Toa Nenryo), and chemicals (like Showa Denko)—the bigger companies of the international levels both in capital and technical phases. Those stocks of the companies, which under ordinary circumstances should be classed as "king-size" shares, are now grouped as "scarce blue-chip stocks" in the process of the latest change in the climate of the stock market. Selective buying operations in this phase are now being extended to stocks of leading companies carrying "medium size" capital.

**Restrictions on 14 Issues:**—Share price fluctuations have been comparatively wide in recent weeks with some stocks diving or rising by more than ¥10 (nearly ¥100 in some cases) a day. Such drastic fluctuations of stock prices, however, were not attributable to sound investment operations by non-professional traders, but were caused by extensive credit transactions by professionals who bought or sold short. The movement of the balance of outstanding loans of the Japan Securities Finance Co., which extend loans for credit transactions, give an eloquent clue. The balance, which stood at ¥24,300 million as of April 1, swelled to ¥27,900 million on April 14. In view of the situation, the Tokyo Securities Exchange on April 15 announced the elevation of the rate of stock margin requirements by 10.0% from 60.0% to 70.0%, effective as of April 18. The new rate is applicable to 18 issues in Tokyo and 10 issues in Osaka, including (in both markets) Komatsu Manufacturing, Nippon Electric, Nissan Motor, Fuji Photo Film, Koyo Seiko, Matsushita Electric, Toyota Motor and Nippon Kogaku. Such restrictive measures are likely to be further strengthened, depending on the future transition of stock market transactions.

**Inflow of Commercial Funds:**—It is suspected in some securities circles that the bulky inflow of short-term commercial funds into the stock market may be responsible for the high-pitched movement of share prices. According to these sources, small retailers have apparently begun to depend on securities investments as a means for employing their idle funds. Such a tendency has become increasingly

notable due to the dull movement of prices in key commodity markets like textiles and steel products. The growing hesitancy on the parts of traders and industrialists to start new investments in equipments and raw materials

for fear of possible losses through the imminent operation of trade and exchange liberalization is also responsible for the increase in the amount of idle commercial funds directed to the securities market for employment.

#### Transitions of Week-End Stock Prices

(Old Dow-Jones Average)

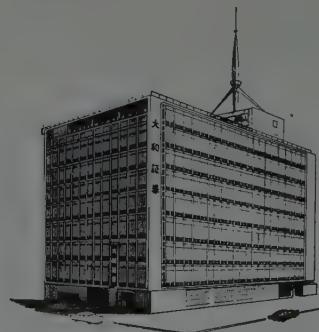
	February		March			April			
	20th	27th	5th	12th	19th	26th	2nd	9th	16th
Average of 225 Pivots . . . . .	1,002.46	1,007.46	1,027.82	1,016.62	1,017.48	1,038.48	1,071.92	1,073.26	1,067.11
Fisheries . . . . .	159.71	158.84	158.84	157.16	154.63	158.00	162.27	173.35	165.66
Mining . . . . .	373.46	369.62	361.20	352.04	340.55	348.19	340.11	352.47	340.11
Foodstuffs . . . . .	2,284.70	2,224.17	2,332.19	2,368.27	2,403.46	2,398.12	2,373.36	2,336.55	2,312.45
Textiles . . . . .	586.53	586.73	586.12	568.90	555.76	560.98	569.36	581.06	575.74
Paper, Pulp . . . . .	753.02	759.21	741.39	722.81	697.98	714.28	704.37	700.32	695.36
Chemicals . . . . .	516.66	517.18	526.36	514.48	494.39	500.72	535.21	575.57	586.26
Petroleum, Coal Products . . . . .	2,330.20	2,468.36	2,492.27	2,364.77	2,420.53	2,439.23	2,704.89	2,622.50	2,625.21
Glass, Clay, Stone Products . . . . .	2,240.24	2,243.16	2,352.96	2,324.09	2,309.57	2,306.48	2,314.76	2,308.19	2,315.58
Primary Metals . . . . .	327.63	320.39	319.13	308.78	304.81	305.53	312.48	321.22	311.30
Machinery . . . . .	749.20	799.72	886.87	883.90	930.96	969.58	1,041.89	1,080.00	1,044.84
Electric Machines, Tools . . . . .	1,017.91	1,016.56	1,015.24	1,026.95	1,080.57	1,173.38	1,204.42	1,181.85	1,189.25
Transportation Machinery . . . . .	591.19	603.60	619.75	612.79	599.40	624.49	662.33	674.70	666.62
Precision Machines . . . . .	818.49	815.95	817.22	832.47	903.64	992.60	1,121.37	1,077.66	1,099.53
Other Manufactures . . . . .	1,764.38	1,848.49	1,928.69	1,879.98	1,928.69	1,977.59	2,004.77	1,948.37	1,975.08
Commerce . . . . .	2,024.86	2,065.43	2,093.97	2,043.12	2,020.23	2,074.25	2,230.43	2,178.79	2,147.35
Banking, Insurance . . . . .	752.03	779.12	792.74	783.93	772.75	785.56	826.20	811.02	811.02
Real Estate . . . . .	3,152.56	3,222.75	3,272.22	3,342.40	3,290.38	3,381.45	3,491.88	3,406.13	3,358.53
Land Transportation . . . . .	732.91	712.76	709.89	702.59	698.59	691.73	683.06	674.66	662.91
Ocean Shipping . . . . .	189.75	180.81	175.54	167.40	160.92	155.24	166.19	169.46	162.53
Warehousing . . . . .	1,207.80	1,204.50	1,207.80	1,161.68	1,161.68	1,168.28	1,181.48	1,191.30	1,211.03
Electricity, Gas . . . . .	229.44	226.88	227.76	222.78	223.86	224.38	215.07	218.78	220.22
Services . . . . .	453.56	452.54	447.20	442.90	438.31	438.31	439.32	439.32	443.13

Note: Stocks listed with the Tokyo Securities Exchange.

Source: Tokyo Securities Exchange.

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# Liberalization of Trade and Exchange

## Liberalization Policy Uncertainties

*Slackened eagerness* :—The attitude of the Japanese Government in connection with the liberalization problem (decontrol of trade and foreign exchange) has fluctuated frequently between eagerness and apathy.

It will be recalled that liberalization was first highlighted as a core problem of Japan's economic policy-making because of the return to convertibility of the currencies of west Europe late in 1958. Nevertheless, from early 1959 to the autumn of that year the Government tended to take a rather passive stand; while the trading firms and others who would benefit from decontrol of trade and foreign exchange persistently pointed out the contradictions and anomalies resulting from adherence to the current policy of artificial restrictions. Certain members of the economic press also were vociferous in advocating decontrol as a "world trend," and urged all speed in effecting relaxation or removal of restrictions. The Government, at that time, adopted the policy of gradual easing of controls contingent upon the establishment within the country of a system capable of coping with the general trend toward liberalization. This stand of the Japanese Government continued until the autumn of 1959.

In October and November, however, with the GATT conference held in Tokyo, there occurred a major shift of the Government's position in regard to liberalization. From a go-slow attitude there was a swing to thinking calling for positive and speedy action.

For instance, on November 6, 1959, Mr. Hayato Ikeda, the Minister for International Trade and Industry, and a key figure among the economic members of the Kishi Cabinet, said: "In view of the international situation of recent months, the pace of trade liberalization should be speeded up as much as possible." Prime Minister Kishi also directed his Cabinet, toward the end of December, to hasten with liberalization.

One of the first actions taken by the Government at the start of 1960 was to form the Council of Economic Cabinet Members for Promotion of Liberalization, which decided upon such matters calling for immediate attention as the lifting of restrictions imposed on certain items of import from the United States, and upon the general course to be followed for decontrol of trade and foreign exchange. This decision, announced on January 12, was as follows: "While setting up annual targets for liberalization of trade and foreign exchange, and while making preparations, both internal and external, to meet the new situation, to expedite the matter, and to draft a liberalization schedule before the end of May 1960." In connection with this policy decision, Prime Minister Kishi said: "Liberalization will be carried out although there may be some friction." On January 12, Director-General Kanno of the Economic Planning Agency told the press: "I have the understanding of the Cabinet members that

recommendation for completion of liberalization within not more than three years is acceptable." A few days previously, on January 5, Minister Ikeda of International Trade and Industry avowed that "liberalization of interflow of capital must be expedited."

There was no open opposition to the Government's urging for speed, while public opinion tended to support and encourage the move on the ground that liberalization was a world trend. The situation was such that any open criticism of action toward decontrol could be considered heresy.

Subsequent developments, however, brought about another change. When the new U.S.—Japan Security Pact was signed on January 19, and the political situation safely surmounted a crisis, a sharp shift began to occur in the thinking regarding liberalization. Criticism that had remained quiescent suddenly burst out in arguments against decontrol and counsels for cautiousness. Typical of such attacks was the series of statements made in Tokyo and elsewhere by Mr. Ichiro Kono, one of the key executives of the ruling Liberal Democratic Party. According to Mr. Kono, "the United States, because it is finding its purse lighter, is demanding that Japan liberalize its trade and exchange policies, while it is encouraging, in defiance of the spirit underlying GATT, the build-up of the European Common Market. This is American egotism. If we were to agree unconditionally to demands from abroad, in undertaking decontrol of trade, not only will Japan's economic weaknesses be uncovered, but a farm panic will undoubtedly occur." Mr. Kono's criticism of action toward liberalization is keyed to the interests of the farmers and the small businessmen; but this politician's statements gave momentum to opposition among some of the bigger industries. In March, when the Japan Productivity Center held a top management seminar at Hakone in connection with the liberalization problem the majority of the big business executives participating expressed concern over over-hastiness in undertaking decontrol.

Another even more significant development is the fact that Minister Ikeda of International Trade and Industry, the key figure in the Kishi Cabinet's move toward early liberalization, has since February shifted drastically toward cautiousness. For instance, at a press conference held on March 1, Minister Ikeda said: "Liberalization of trade as a policy is absolutely essential for economic growth. But it is obvious that the matter cannot be pushed unreasonably; so while observing the results and effects of the lifting of restrictions on industrial raw materials, we should give careful consideration to various factors when gradually proceeding toward decontrol of manu-

factured goods. One must particularly avoid such forced advances as might be necessitated were we to complete liberalization in three years. Liberalization is not an end in itself, it is a means for achieving satisfactory economic growth. It is my opinion that it should be possible to liberalize up to 70 or 75 per cent of the total import volume. Then we should watch to see how things turn out. In our own case the degree of liberalization is judged on somewhat different premises from those used when it is said that European decontrol is close on 100 per cent. Consequently, comparison would not always be meaningful. Most difficult of all would be decontrol in connection with staple foodstuff; but even with machinery, petroleum, coal and other items, it will not at all be easy to push toward liberalization on a simple straight forwards basis. Doubtless these limitations will be incorporated in the liberalization schedule due to be decided by the end of May."

*Liberalization Schedule* :—The statement made by Minister Ikeda was a disclosure of the Minister's personal opinion. But considering his weighty position in the Cabinet and in the Liberal Democratic Party, and the part he previously played in urging speedy decontrol, it can be taken that he reflects to a considerable extent the change in attitude toward liberalization that has occurred in high Government circles.

At any rate, the Government, as already explained, is committed to deciding on a liberalization schedule by the end of May. Consequently, if the Government's attitude has shifted toward favoring gradual decontrol there is the possibility 1) that no attempt will be made to decide on the liberalization schedule before the end of May 1960, or 2) that even should a schedule be drafted by that time, it will cover a considerably longer time than the three years advocated earlier in January.

It is unlikely that the Government will abandon its original idea of a schedule before the end of May, primarily because it is pledged to the whole world to take this action. The Economic Planning Agency, the Ministry of International Trade and Industry, the Ministry of Finance and other government offices are busily engaged in drafting the plans for this all-important schedule for decontrol. As for the second possibility, it is manifest that as the work of preparing the liberalization program proceeds many unforeseen difficulties are being discovered, which could be deterrents to early realization of complete decontrol of trade and exchange. Recognition of this fact is mounting in the staff offices of the Ministry of International Trade and Industry and of the Economic Planning Agency. It has been found, for instance, that immediate lifting of discriminatory restrictions on imports could result in serious employment problems, while the action might run counter to the established policy of changing the Japanese industrial structure to obtain pre-

dominance of the heavy and chemical sectors. At the same time, those industries which tend to be weak in competitive strength are exerting pressures to stop early liberalization, so even should the liberalization schedule be available at the end of May its content no doubt will be a far cry from that envisioned by the Government back in January. This would be tantamount to retrogression. When any attempt is made to name specifically the items and the dates for liberalization, the schedule cannot possibly be of such rapidity as to permit completion of decontrol within three years. On the other hand, if a time limit of three years is set to start with, it becomes extremely difficult, if not altogether impossible, to give in specific terms the items and the dates. Consequently, if liberalization in the shortest possible time is postulated, the Government schedule will doubtless be in extremely abstract form, outlining the desired attitude in regard to the proposed easing or removal of controls.

#### Current Status of Liberalization

Of the decontrol measures announced to date by the Government, some have been put into effect immediately, while others have been scheduled for enforcement perhaps half a year or a year later. Announcement of the proposed measures has not always followed a set pattern, and very often only fragments were made public. As a result, it is extremely difficult to grasp the extent to which liberalization has progressed. Below will be presented, classified on the basis of trade or foreign exchange, the measures that have been announced since the start of 1959.

By "liberalization of trade" is meant in Japan today relaxation or abolition of quantitative restrictions imposed on importation through the system of foreign exchange allocation on a case-by-case basis. The actions for liberalization are: (1) expansion of the automatic approval system (see Note below); (2) elimination of discrimination against imports from the dollar area; (3) new establishment of an automatic exchange allocation system (see below); and (4) new establishment of exchange quotas for non-essential items heretofore disqualified.

##### (a) Expansion of the Automatic Approval (AA) System.

Note: The government compiles for each half of the fiscal year (1st half, April through September; 2nd half, October through March) a foreign exchange budget, and gives approval for import purchases made within the framework of the budget for each half-year. Approval is forthcoming in two ways: under the case-by-case exchange allocation system, or under the automatic approval system. For the former there is set up a definite importation budget, by type of commodity and currency of settlement, while allocation of foreign exchange to the importer is based on past performance and other conditions. In the case of the latter, there is initially earmarked an overall budget for automatic approval (AA) items of import, and whenever application is made for purchase of such commodities approval is forthcoming provided there remains an unfulfilled portion of the budget.



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By reducing the items controlled by means of the exchange allocation system, and by increasing the commodities importable under the AA system, Japan has been enabled to start out toward liberalization of trade. To date, however, practically no item involving big payments or likely to affect domestic industry has been shifted to the AA category from the case-by-case allocation system. The situation since last year is generally as follows:

(1) In April 1959, 24 items including copra, germanium, and carbon black were shifted from the individual allocation category to the AA system. As a result, the items covered by the AA system increased to 641. (2) In October 1959, 146 items including cotton linter, pulp, polyvinyl chloride, and cement were shifted to AA. (3) In January 1960, 84 items including cocoa butter and ingredients for Chinese cookery were added to the AA list. (4) From April 1960, 304 more items such as nickel ore, coffee beans, and scrap wool were added to the AA list (the estimated value of importation of these 304 items during the first half of fiscal 1960-61 comes to some \$30 million). (5) In addition to the foregoing, it has been officially announced that from April 1961 raw cotton and raw wool will be shifted to AA.

In so far as regulation of import purchases of raw materials for textiles has been instrumental in preventing or reducing excessive domestic competition among textile manufacturers, and has played an important role in adjusting production, the shift to the AA category of raw wool and raw cotton may result in considerable disruption of textile production and distribution. Consequently, steps are being taken to introduce legislation for direct regulation of the facilities and output of the textile industry. Since raw materials for textiles make up a major portion of Japan's import purchases, shift of these items to the AA category will result in a rise of some 20 per cent of the liberalization rate (see note).

#### (b) Removal of Dollar Imports Discrimination

There were a number of items freely importable from the pound sterling or open account areas on AA basis, which were subject to case-by-case exchange allocation when bought from the dollar area. At the start of 1959 there were 231 such items. Such discrimination was practised, for one thing, to help maintain the balance of payments; but the main reason was protection of domestic industry particularly in the case of materials and supplies sourced principally in the dollar area (e.g. steel scrap, soybeans). Control of importation by the foreign exchange allocation system was also utilized to regulate raw material supply to effect adjustments in production.

However, because convertibility of currencies was restored in western Europe, the theoretical, monetary reason for continuing with discrimination disappeared; while the United States Government began to exert strong pressure for a solution of this problem. Consequently, to date,

the ending to discriminatory practices stands out as the central issue in connection with liberalization of trade. Developments in this connection are outlined below.

(1) In January 1959, of the 217 items previously discriminated against there remained only thirteen in the exchange quota category (vessels for scrap, cotton linter, cotton waste, hops, abaca, copper alloy scrap, lauan lumber, gypsum, steel scrap, beef fat, lard, pig iron, raw hides, soybeans).

(2) In April 1959, cotton waste, vessels for scrap, and hops were shifted to the AA category.

(3) In January 1960, gypsum, abaca, lauan lumber, and copper alloy scrap were shifted to AA to complete the termination of discriminatory treatment except for six items.

(4) From April 1960, steel scrap, beef fat, and lard (crude lard only) were shifted to AA, while the freeing of raw hides is scheduled for July.

In the foreign exchange budget for import purchases for the first half of 1960-61 (April through September) the AA budget has been increased to \$970 million as against the \$700 million of the preceding half-year. Of the increased amount, roughly \$160 million will be for the anticipated requirements in connection with the steps explained above to end discrimination against imports from the dollar area.

(5) Of the three remaining items, pig iron and soybeans are expected to be freed around October 1960, while with refined lard action will be taken after revision has been effected of the mutually acceptable tariff rate.

The above, at least, was the liberalization schedule as drafted by the Government earlier in the year. It is manifest, however, that with the freeing of importation of soybeans from the United States there will be sharp drop in demand for high-cost domestic product to the detriment of the Japanese soybean raisers. To prevent such trouble it will be necessary either to raise the tariff on soybean imports (current agreed-upon rate is 10 percent), or for the government to buy up the imported beans for resale to the public at a price that will not discourage the soybean farmer. These countermeasures are under study, but in any case the understanding of the United States Government will be needed if any such step is to be adopted. To date (April 1960) no agreement has been worked out with United States officials;

Note: In the case of Japan the trade liberalization rate is computed on the basis of the ratio of the AA budget to the overall foreign exchange budget (excluding contingency reserve) for a given half-year period, thus:

$$\frac{\text{Automatic Approval Budget}}{\text{Foreign Exchange Budget - Reserve}} \times 100$$

Consequently, if there are allocated big sums to the exchange allocation system items to reduce the restrictive effects, the liberalization rate will not go up unless the automatic approval budget is increased in even greater degree.



Inside Office of Marubeni-Iida (America), Inc.



## Marubeni-Iida Co., Ltd.

Marubeni-Iida is Co., one of the "Big 3" general merchants in this country, commonly known as the "Three M" (other two firms being Mitsui Bussan and Mitsubishi Shoji). With its head office in Osaka (in contrast to the other two of the triumvirate which have the central offices in Tokyo), Marubeni-Iida, like C. Itoh Co., at first specialized in the textile lines, although its advance to other products has increased the weight of non-textile items to about 50.0% in the total sales of the company in recent years. Starting as the textile trader, however, leaders of Marubeni-Iida were quick to aware to the trend of the times, and made a positive advance to heavy industrial and chemical lines. In view of the movement of the latest sales, the weight of non-textile commodities in the company's transactions is bound to increase further to the corresponding retreat of textile items. The company has already started an aggressive advance in this direction by strengthening its tie-ups with key manufacturing companies with the bucking of the Fuji Bank, the largest of Japanese commercial banks. Its latest achievement in this respect is the recent participation in the Tokyo Atomic Industry Consortium Group organized by Hitachi, Ltd., Showa Denko and other leading Manufacturing Companies. Through this participation, Marubeni-Iida's relationship with leading industrial companies in the same group has been markedly strengthened. In addition, the company has been steadily solidifying its business relations with major manufacturing companies like Yawata Steel, Kubota Iron & Machinery Works, Nissan Chemical Industries, Sekisui Chemical Industries, and Hitachi Shipbuilding & Engineering. Handling the representative products of more than 50 affiliate companies, the monthly transactions of Marubeni-Iida average some ¥6,000 million. The company's sales in the half-year period ending September, 1959 totalled more than ¥200,000 million, and the proceeds for the term ending March, this year are likely to exceed ¥250,000 million with the profit certain to reach ¥900 million. The sales for the current term ending September are expected to further climb to ¥280,000 million. As the capital of the company is still small, considering the bulky size of its sales, another capital expansion is believed certain. Marubeni-Iida can be counted among the most promising of trading firms to grow on the spur of trade and exchange liberalization.

### Marubeni-Iida's Position Among "Big 5"

	Capital (Million yen)	Sales (Million yen)	Profit (Million yen)	Dividend (%)
Mitsui Bussan	6,233	242,484	1,012	14%
Mitsubishi Shoji	5,000	226,156	968	14
Marubeni-Iida	5,000	206,094	706	15
C. Itoh	5,400	176,656	286	15
Nichimen Jitsugyo	2,450	106,669	273	10

Notes: Sales for the half-year term ending September, 1959: Capital as of April, 1960 (Mitsubishi Shoji due to boost capital to ¥10,000 as of July 1, 1960); Mitsui's dividend including 10.0% share dividend: Nichimen Jitsugyo due to increase capital to ¥3,675 million as of July 15, 1960.

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Bird's-Eye View of Marubeni-Iida's Main Office Building

and it predicted therefore that decontrol of soybeans will not be effected until considerably later than October. Incidentally, it is estimated that through the ending of dollar import discrimination against the ten commodities mentioned above the liberalization rate will go up by from 10 to 12 percent.

(c) *New Establishment of the Automatic Foreign Exchange Allocation System.*

The automatic foreign exchange allocation system is a hybrid of the foreign exchange quota and automatic approval systems explained above. As an intermediate step in the shift from case-by-case exchange allocation to automatic approval, the system was put in effect from November 1959. Under this system, although there is previously set up an overall budget for foreign exchange spending, it is now possible to obtain, on an automatic basis, a foreign exchange quota for the importation of some specific commodity not included in the original budget. However, provision is made to enable the choking off of importation if and when there is possible harm to the economy. In November 1959 there were listed 48 items of machinery (business and medical machinery and equipment, &c.) to which the automatic allocation system would be applicable, while on January 1960 there were added 38 items, mainly consumer goods such as musical instruments and sporting goods. Then in April 1960 there were further added 250 items including second-hand clothing, chinaware and pottery, chemicals, and sewing machines to bring the total number of items coming under the system to 334, \$30 million are available for automatic allocation importation in the first half of fiscal 1960-61.

(d) *New Establishment of Quotas under the Foreign Exchange Allocation System.*

Heretofore, there was no provision made for items considered non-essential or non-urgent (e.g. confectionery, liquor). As a step toward liberalization, there have been introduced budget quotas to permit a certain amount of importation of these luxuries, opening up the way for influx of consumer goods from the more advanced countries of Europe and America in an attempt to bring about an easing of the restrictions imposed in the places on importation of goods from Japan. For the fiscal quarter of 1959-60 (January through March 1960) was set up a budget of \$5 million (items unspecified); and it is expected that about the same amounts will be allocated for each quarter year to come.

#### Measure for Decontrol of Foreign Exchange

Among the principal measures taken to liberalize foreign exchange can be counted the relaxation of control over the U.S. dollar market rate, the system of permitting foreign currency holdings by trading firms, and the easing of the regulations covering invisible trade payments. In addition, there have been taken such steps as increase in

scope of officially recognized foreign currencies, expansion of the applicability of import usances, and the expediting of procedures in connection with foreign investments in Japan.

(a) *Measures in Connection with Restoration of Currency Convertibility in Western Europe.*

Because toward the end of 1958 convertibility was restored to the currencies of western Europe, it became meaningless to continue with a number of exchange restrictions imposed by reason of non-convertibility of these currencies.

(1) From January 1959 it became permissible for Japanese banks licensed to deal in foreign exchange to buy or sell one designated currency (e.g. U.S. dollars) by means of another (e.g. pound sterling) in foreign markets.

(2) From January 1959 the standard settlement procedure was simplified, it being made free to choose any designated currency for settlement in areas other than open account trade areas.

(3) From April 1959 there were added five designated currencies (see note) to the nine recognized theretofore.

(b) *Liberalization of the U.S. Dollar Market Rate.*

Prior to 1958 there had been carried out some easing of the restrictions on market rates for designated currencies other than the U.S. dollar, such as the £ sterling and others; and until the summer of 1959 the U.S. dollar exchange rate was maintained rigidly fixed. The reason for this was that the U.S. dollar continues to be most important currency for effecting international settlements, and that easing of control over market quotations would tend to have widespread repercussions. Moreover, until about that time there continued to be considerable uncertainty about Japan's balance of payments position. From September 1959, however, it was decided to decontrol to some extent the U.S. dollar market rate. Whereas up till then the bank rate to customers was rigidly fixed by decree, a 0.5 percent latitude (¥ 1.80) above and below the average rate of ¥360 was permitted for TT transactions, while for future complete freedom of quotation was granted. However, with only 0.5 percent latitude available for spot transactions it is opined that the dollar exchange market will remain stripped of its function of effecting adjustments of the balance of payments.

(c) *Relaxation of Restrictions on Import Usances.*

With the restoration of convertibility to the £ sterling, and with betterment of Japan's balance of payments, it

Note: By "designated currency" is meant a currency recognized under the Foreign Exchange Control Law for use in settlement of payments. Currently, the following currencies are "designated": U.S. dollar, £ sterling, Canadian dollar, Swiss franc, West German mark, Swedish krone, French franc, Netherlands guilder, Belgian franc, Austrian schilling, Danish krone, Italian lira, Norwegian krone, and Portuguese escudo.



Tokyo Office



Osaka Main Office

C. Itoh & Co. is usually considered to be one of Japan's four major trading concerns along with Mitsui Bussan, Mitsubishi Shoji and Marubeni-Iida. Originally a trader in textiles in Osaka, the Company's chief strength lies in textiles and allied goods and ranks high even in the international billing in this particular field. In the company's total sales, textiles and allied goods account for 60%, while the non-textile goods make up the remaining 40%. Although the Company covers all textile items including cotton, wool, cotton yarn & textiles, woollen textiles, spun rayon & rayong goods and synthetic fiber goods, the last name has been making a remarkable advance in the recent few years.

With the switchover of raw cotton and wool imports to the AA (automatic approval) system by April, 1961, the Company is expected to occupy the center of the textile stage with its world-wide reputation, long years of experiences and an extensive overseas network of branches and representatives.

This textile-centered activity, however, does not mean that C. Itoh is lagging behind its rivals in other fields. On the contrary, the Company is currently putting a great deal of emphasis on the products of the heavy and chemical industries. The fact that sales in non-textile fields, which stood at a meager 10% of the total only 10 years

ago, now account for 40% is a clear indication that the Company is serious in its expansion attempt in this field. Days seem not too far off when the non-textile fields account for more than 50% of the Company's total sales. Recently, the Company has strengthened its ties with such enterprises as Sumitomo-Metal Industries (iron & steel manufacturers), Matsushita Electrical Industrial (electric machinery makers) and Japan Gas Chemical Industry as an attempt to become a truly all-round trading firm. The Company is also strengthening its traditional ties with Sumitomo Zaibatsu affiliates and joined the First Atomic Power Enterprise Group in its pursuit for closer ties with companies under the aegis of Kobe Steel Works, Furukawa and Kawasaki Industrial Groups—all of them members of the First Atomic Power Enterprise Group.

These painstaking efforts coupled with the unprecedented prosperity of the country as a whole, the Company's sales in the March, 1960 term soared to ¥230,000 million and profits, more than ¥900 million. Moreover, sales of ¥270,000-¥280,000 million is easily envisaged for the September, 1960 term. With further rationalization and ramification of its business activities as of April, 1960, the Company is expected to make a great headway in the coming year.



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was decided to expand the scope of applicability of the import usance system (method of deferring importers' payments by having the exchange banks advance the funds needed for import purchases) from April 1959. Previously, there was a difference in scope of applicability depending on whether the U.S. dollar or the £ sterling was involved (17 items in the case of the dollar; 34 items for £ sterling settlement). In addition to unification, the scope of items was increased to 61, while usances were made available for import transactions not involving the opening of letters of credit. With further expansion of scope of applicability from February 1960, practically all goods other than some non-essential, non-urgent and luxury items can now be imported on a deferred payment basis.

(d) *Easing of Regulations Covering Invisible Trade Payments.*

Looking first into the decontrol measures undertaken by the Ministry of International Trade and Industry, the following points are noted:

(1) From April 1959 the control procedures were simplified by vesting in the exchange banks the authority to grant foreign exchange for such invisible trade payments as agency commissions, and marine insurance fees in connection with importation of crude oil and sugar.

(2) From February 1960 it was made possible for the exchange banks to authorize foreign currency payments in

connection with such direct costs of importation as freight, insurance, and inspection fees.

As for Ministry of Finance action,

(1) From April 1959 there was an increase in the budget for overseas travel and the maximum allowable amount per person;

(2) From April 1959 there was an easing of the restrictions on outgoing remittance of a portion of the yen deposit accounts of non-residents;

(3) From May 1959 there was effected a simplification of the procedures for invisible trade sundry remittances, exchange transactions for transportation and fishery, and remittance of dividends yielded by Japanese corporate stock acquired prior to the war.

(e) *Easing of Regulations Covering Investment by Foreigners.*

In July 1959 there was a relaxation of the administration of restrictions imposed by the Foreign Investment Law and the Foreign Exchange Control Law, and the door for acceptance of foreign capital was widened. In addition to the guaranteed repatriation investments (validated under conditions of considerably severity) another category of investments was established under which home-ward remittance of principal and interest is permitted so long as the balance of payments situation permits (conditions of validation eased).

(f) *System of Foreign Currency Holdings by Trading Firms.*

Previously, all Japanese trading firms earning foreign exchange through export of Japanese goods and services were compelled to sell to the government all the foreign exchange acquired, and any foreign currency needed for import purchases and other requirements had to be purchased from the exchange banks as the need arose. In other words, the general rule was that Japanese trading firms were forbidden to possess any reserve of foreign currency. However, because betterment of Japan's payments position reduced the necessity of immediate concentration of foreign exchange holdings in the hands of the government, there was established, from April 1960 a system of foreign currency holdings by trading firms. The trading firms are now permitted to open foreign exchange accounts with exchange banks, and to deposit their foreign currency earnings as well as to withdraw funds needed for importation and other purposes. However, there is a time limit to such holding of foreign exchange; and a trading firm can keep in its possession the foreign currencies received during a given third of a month only until the end of the following third (ten-day period). Consequently, the economic results of the system cannot be substantial; but the step is significant in that a positive move has been initiated in departure from the established policy of concentrating foreign exchange in the government's hands.

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# Foreign Exchange Budget, First Half

THE Japanese Government Council of Economic Cabinet Ministers on March 31 made final the foreign exchange budget for the first half of fiscal 1960-61 (April through September). One of the features of the new budget is its considerable increase in overall size. Another is that compilation was accomplished with the minimum of trouble. According to the official announcement the total scheduled amount for importation of commodities is \$2,624 million (foreign exchange allocation system budget, \$1,454 million; automatic approval system budget, \$970 million; and regular reserve fund, \$200 million). The amount appropriated for invisible trade payments is \$644 million (\$289 million in budgeted payments, \$305 million in non-scheduled payments, and \$50 million in regular reserve funds). Together, the foreign exchange budget totals \$3,268 million. Excluding the reserves, the new half-year budget as compared with the final budget for the preceding half-year (October 1959 through March 1960) is \$143 million bigger for commodities purchases, and \$75 million bigger for invisible trade payments. The increase therefore is by \$218 million.

## Size of Budget Expanded

Reviewing the trend indicated by the commodities importation budget over the past several years it will be seen that the budget of October-March of fiscal 1959-60 was, in its original form the biggest since the war, while the new budget for the first half of fiscal 1960-61 is bigger yet by more than 13 percent (by 6 percent as against the final figures), and about the same as the revised figures for the second half of fiscal 1956-57 at the time of the so-called Jimmu boom. (As compared to fiscal 1956-57, there has been a considerable growth of both production and national income, a change in the basic situation that cannot be overlooked.)

The increase in overall size of the budget was made possible for one thing by the availability of foreign exchange reserves, and because while the business boom continues on a steady uptrend the Government is anxious to go ahead with its program of trade and exchange liberalization by allocating a bigger budget for importation. Incidentally, the foreign currency reserves available at the end of March 1960 stood at about \$1,350 million, an increase of some \$350 million as against the same time in 1959.

## 1. Size of the Foreign Exchange Budget for Importation

(In \$ million)

Original Budget

Fiscal Year	Term (half-year)	FA Budgeted	AA Budget	Re-reserve	Total	FA Budget	AA Budget	Re-reserve	Total
1956-57	1st . . . . .	1,263	230	50	1,543	1,414	352	—	1,766
	2nd . . . . .	1,315	390	210	1,915	1,970	513	—	2,483
1957-58	1st . . . . .	1,589	497	150	2,236	1,589	497	80	2,236
	2nd . . . . .	1,242	330	80	1,652	1,242	330	150	1,652
1958-59	1st . . . . .	1,148	330	150	1,628	1,148	380	150	1,628
	2nd . . . . .	1,157	400	200	1,757	1,161	470	125	1,757
1959-60	1st . . . . .	1,161	580	200	1,941	1,217	630	94	1,941
	2nd . . . . .	1,458	670	200	2,328	1,580	700	48	2,328
1960-61	1st . . . . .	1,454	970	200	2,624				

Note:—"FA" stands for foreign exchange allocation on a case-by-case basis.

"AA" stands for automatic approval within the framework of the appropriated amount.

Source:—Ministry of Finance for all tables unless otherwise specified.

Perhaps this should not be cited as a feature of the new budget, but it is a notable fact that there was very little trouble encountered in its compilation particularly in connection with the deciding of the quantity scheduled for each item. Whereas in the past the government offices entrusted with this work usually experienced a hectic and confused rush just prior to the final decision of the Council of Economic Cabinet Ministers, they were, this time, enabled to proceed in an orderly and leisurely manner.

The reason for this calm is attributed by those involved in the Ministry of International Trade and Industry to the reasonable and forthright allocation of funds to items for which demand is heavy. Consequently, because the overall size was increased notably, there was no troublesome hitch in the work of compilation.

However, if one is permitted to take a somewhat cynical stand the observation must be made that in regard to decontrol and liberalization of trade (expansion of the AA system) the Government has not, with its new foreign exchange budget, gone a step beyond what it announced last January, and that this, above all, was the reason for smooth and troublefree compilation of the importation schedule.

It must, nevertheless, be noted that as a result of putting an end to dollar imports discrimination and of increasing the size of the AA budget the so-called liberalization rate has been increased to about 40 percent (liberalization rate=AA budget/FA budget×100). In the case of the original budget for October 1959 through March 1960 the liberalization rate stood at 31.5 percent; while when the new automatic allocation system budget is included the liberalization rate becomes 41 percent. Another thing is that as a result of the increase seen in the foreign exchange allocation budget the regulatory effect of this quota system itself becomes weakened. Consequently, although progress is slow, there is a definite movement toward a change in the nature of the foreign exchange budget from that of a true budget to that of a schedule of estimated payments for importation.

## Balance of Payments Outlook Still Uncertain

Although it is obvious that the swelling in size of the new foreign exchange budget resulted from the policy of allocating funds for expanded importation requirements,



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there was no serious attempt made to gauge these requirements in the light of predictions of the business situation. The economic forecast announced in January, predicting an 11.8 percent increase in mining and manufacturing production (as against fiscal 1959-60), was used as the basis for computing the expected requirements.

As for the predictions in regard to the balance of payments situation, the official announcement was made in a new form as a result of the revised formula (see note) adopted for foreign exchange statistics since April last.

The Ministry of Finance, however, does not appear to have adequate confidence in its own computations leading to the payments position prediction. Even should export sales continue to grow at the anticipated rate, import purchases will also increase, so there is no assurance that the current balance of payments will show any marked surplus. Consequently the opinion is prevalent among some key officials that at best the payments position will not improve notably.

2. Balance of Payments Forecast, First Half  
Fiscal 1960-61  
(In \$ million)

	Old Formula	New Formula
Export . . . . .	1,820	1. Current Transactions
Special Procurement . . . . .	240	(1) Receipts
Invisible Export . . . . .	180	Export . . . . . 1,870
Total Receipts . . . . .	2,240	(ICA) . . . . . (50)
Real Imports . . . . .	1,810	Invisibles . . . . . 365
Invisible Import . . . . .	280	(APA, &c.) . . . . . (190)
Total Payments . . . . .	2,190	Total . . . . . 2,235
Real Balance . . . . .	50	(2) Payments
(Nominal Balance) . . . . .	(220)	Imports . . . . . 1,820
		Invisibles . . . . . 325
		Total . . . . . 2,145
		(3) Current Balance . . . . . 90
		2. Capital Transactions
		(1) Long-term
		Receipts . . . . . 45
		Payments . . . . . 40
		Balance . . . . . 5
		(2) Short-term
		Balance . . . . . 110
		(3) Capital Transactions
		Balance . . . . . 115
		3. Composite Balance . . . . . 205

Note: For convenience, deferred payments for export or import are listed in current transactions at time of settlement, while investment in kind is not listed.

The National Diet deliberations on the national budget for fiscal 1960-61 are still in progress (at the end of March), and it would not do to at this point to come out with something that does not agree with the forecast for the balance of payments as indicated by the Government's economic forecast (simply another expression of the national budget requirements) announced in January, otherwise the Opposition would most certainly come up with embarrassing questions. Consequently, the administrative offices in drafting the foreign exchange budget have adhered to the announced figures, with the intention of making corrections later if the situation so requires.

Note. The salient points of the revision are as follows:

- (1) The balance of payments is subdivided into current transactions and capital transactions, and the combined balances are considered the total balance which about matches the increase or decrease of the available foreign exchange reserve;
- (2) Of the receipts heretofore listed as "special procurement" (U. S. Government offshore procurements and other dollar spending in Japan by U. S. Government agencies and personnel), ICA purchases are now listed as normal exports while the balance comes under invisible trade receipts (duly identified in each case). Long-term deferred payment exports and imports are not listed under current transactions until settlement is effected;
- (3) Capital transactions are broken down into long-term and short-term classifications in order better to indicate the movements of these transactions.

### Forecast for Importation of Principal Commodities

The importation budget and the estimate of quantity requirements for the first half of fiscal 1960-61 are substantially bigger and more relaxed than those of the preceding half-year or the same half-year of fiscal 1959-60. Up notably in value and quantity are petroleum and machinery. Below will be outlined the basis of computation for the principal goods expected to be purchased from abroad.

**Rice.** Because there was a bumper crop of rice in fiscal 1959-60 (1,138 million tons) the supply will be enough to make unnecessary any importation of this staple from overseas. However, Taiwan, Thailand, Vietnam, Cambodia and other underdeveloped countries must sell Japan some rice otherwise they will be unable to buy manufactured and other goods from Japan. Because of such trade circumstances there is scheduled for importation during the first half of fiscal 1960-61 some 10,600 tons of rice. There is, in addition, the ransom rice offered by the Republic of Korea in exchange for release of captive Japanese fishermen, which will be paid for out of the reserve fund should negotiations culminate in acceptance of the Korean condition for repatriation.

**Sugar.** With the steadily rising living standards of the Japanese, the expected sugar requirement during fiscal 1960-61 is expected to be 1,350,000 tons, some 6 million tons more than the actual consumption during fiscal 1959-60. Deducting the beet sugar and other sugar available from domestic sources it is estimated that some 1,050,000 tons, in terms of crude sugar, will have to be imported during the year. Of this amount 550,000 tons will be brought in during the first half.

**Wheat.** Since it is estimated that the wheat requirement for staple food during fiscal 1960-61 will come to 3,050,000 tons, and that of this amount the government will be required to sell 2,810,000 tons, the amount of wheat to be purchased from abroad is estimated at about 2,180,000 tons, of which some 1,200,000 tons will be brought in during the first half. In the case of barley, since the domestic crop for fiscal 1959-60 was extremely good it will be possible to depend entirely on stockpiles during the first half of fiscal 1960-61. Nevertheless, the schedule calls for purchase abroad during the first half of 47,000 tons out of the total of 95,000 tons budgeted for the second half.

**Soybeans.** Assuming that the daily per-capita consumption of vegetable oil will be 10.8 grams in fiscal 1960-61 (during 1959 the average was 9.98 grams per person) the soybean requirement for oil extraction purposes comes to 816,000 tons. When to this are added the requirements for *miso* (fermented bean paste) and *tofu* (soybean curds), the total annual requirement stands at 1,280,000 tons. Deducting the domestic production (190,000 tons) and the soybeans importable under the AA system, it is estimated that foreign exchange must be made specifically available for the purchase of some 950,000 tons during fiscal 1960-61. Of this amount, the schedule calls for the bringing in of 476,000 tons during the first half.

**Salt.** It is expected that production of caustic soda and soda ash in fiscal 1960-61 will be 10 percent higher than in fiscal 1959-60 because of bigger output anticipated for glass, chemical fibers, paper and pulp, and other products. Consequently, there will be needed some 2,440,000 tons of salt for industrial uses; and the importation requirement stands at 2,450,000 tons when replenishment of stockpiles is considered. The new foreign exchange budget provides for importation of some 1,390,000 tons during the first half of fiscal 1960-61.

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President: Kamegoro Fujita

Established: 1917

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**Raw Fibers.** Cotton yarn production in fiscal 1960-61 is expected to be 2,920,000 bales (monthly average, 244,000 bales; 15 percent curtailment of operations), 9 percent higher than the level of fiscal 1959-60. Raw cotton requirements will therefore be some 2,580,000 bales, but the scheduled procurement now stands at 2,200,000 bales, of which 1,370,000 bales will be imported during the first half (including carry-over from the second half of fiscal 1959-60). The reason for scheduled importation being less than the estimated requirement is that since decontrol will start from fiscal 1961-62 it is expected that there will be no need for fiscal yearend carry-over (budgeted quotas carried forward into the next term by importers.)

## 3. Commodities Import Budget, First Half, Fiscal 1960-61

(In \$1,000)

	Final Budget 1st Half, 1959-60	Final Budget 2nd Half, 1959-60	Budget 1st Half, 1960-61
Food . . . . .	194,484	209,643	212,462
Government Monopoly Supplies . . . . .	7,975	16,342	10,133
Lumber . . . . .	31,584	17,848	shifted to AA
Textile & Daily Necessit. Suppl. . . . .	302,388	450,062	357,328
Fertilizer & Fertilizer Materials . . . . .	15,350	19,050	22,820
Coal . . . . .	46,595	49,180	55,297
Iron & Steel Suppl. and Products . . . . .	93,661	114,260	101,000 (Metals: Incl. ores) and Non-Metallic Minerals
Non-Ferrous Metals (Incl. ores) and non-metallic minerals . . . . .	39,500	63,880	101,000
Petroleum . . . . .	140,406	166,717	192,098
Chemicals . . . . .	13,354	13,985	3,327
Pharmaceuticals . . . . .	3,866	3,804	5,054
Machinery . . . . .	165,000	280,000	300,000
Supplies for Export Manufact. . . . .	44,000	37,000	35,000
Reparations Supplies . . . . .	30,000	20,000	15,000
Military Goods Supplies . . . . .	3,500	3,500	3,000
Re-Import and Items Requiring Added Payment . . . . .	3,000	2,000	3,000
Sundry Imports (I) . . . . .	57,657	78,264	96,481
Sundry Imports (II) . . . . .	25,000	25,000	12,000
Sundry Imports (III) . . . . .			
(AA commodities) . . . . .	0	10,000	30,000
Automat. Approv. System Budget . . . . .	630,000	700,000	970,000
Regular Reserve Fund . . . . .	93,680	47,465	200,000
Grand Total . . . . .	1,941,000	2,328,000	2,624,000

Source: Ministry of International Trade &amp; Industry.

The expected output during fiscal 1960-61 of combed woolen yarn is 176 million pounds, up 4 percent above the 1959-60 level; while with spun woolen yarn the output is expected to be 97.7 million pounds, up 6 percent. For this there will be needed some 1,357,000 bales of raw wool; but because inventory adjustments and other matters must be considered, the amount scheduled for importation during fiscal 1960-61 now stands at 1,250,000 bales, of which 606,000 bales, including carry-over from the preceding term, will be purchased in the first half.

## Budget for Petroleum and Machinery Increased

**Iron and Steel Supplies.** Deliveries of mild steel in fiscal 1960-61 are estimated at 1.2 million tons for export (about the same as in fiscal 1959-60) and at 13 million tons for domestic use (14 percent up). Hot rolled products are expected to total 14 million tons (10 percent up), while blast furnace pig production is expected to come to 11.1 million tons (18 percent up). Of the 11.54 million tons of coking coal needed for this production, 5.77 million tons will be imported, with 2,095,000 tons scheduled for the first half. This estimate is based on the assumption that domestic coal production will be 52 million tons, of which 11.6 million tons can be expected to be of coking grade.

**Petroleum.** With increase of the number of motor vehicles in operation, with growing requirements of the petrochemical industry, and with greater household use of kerosene, the overall demand for petroleum and derivatives during fiscal 1960-61 is estimated at 27,980,000 kiloliters. With provision made for replenishment of stocks there is now scheduled a purchase of 30,040,000 kiloliters, of which 15,140,000 kiloliters will be brought in during the first half. Since, of the fuel oil requirement

estimated at 15,430,000 kiloliters, some 13,220,000 kiloliters can be furnished by domestic refineries, the scheduled importation of this product during fiscal 1960-61, with consideration given to replenishment of stocks, is now set at 2,860,000 kiloliters. 1,480,000 kiloliters will be brought in during the first half.

#### 4. Comparison of Quantities of Principal Import Commodities

Item	Unit	Final Budget	Final Budget	Budget
		1st Half 1959-60	2nd Half 1959-60	1st Half 1960-61
Rice . . . . .	1,000 tons	34	200	106
Wheat . . . . .	DITTO	1,073	1,046	1,201
Soybean . . . . .	DITTO	429	459	476.5
Sugar . . . . .	DITTO	500	500	550
Lumber . . . . .	1,000 Cub. m.	1,392	785	AA
Salt . . . . .	1,000 tons	970	1,140	1,390
Raw Cotton (for spinning) . . . . .	1,000 bales	1,202	1,491	1,372
Raw Wool . . . . .	DITTO	405	882	606
Scrap Steel . . . . .	1,000 tons	1,610	1,604	AA
Coking Coal (for iron and steel) . . . . .	DITTO	2,075	2,599	2,905
Crude Oil . . . . .	1,000 kl.	10,194	13,136	15,141
Fuel Oil . . . . .	DITTO	774	950	1,480

As against the first half of fiscal 1959-60, the importation of crude oil scheduled for the first half of 1960-61 is up 50 percent, while fuel oil has been doubled. Protests against increasing imports of petroleum have constantly been voiced by Japanese coal operators; and in the past purchases had been limited in order to protect domestic interests. This was known as the "coal first, petroleum second" principle. The new foreign exchange budget, however, brings about a notable reversal of this policy. Yet there was no outcry, as heretofore, from the coal industry. This is because, for one thing, the coal market is tending toward firmness, and there is no immediate threat even should petroleum imports be increased. Also, the coal industry has come to accept the inevitability of

the ascendancy of petroleum, and positive action is being taken for the first time to undertake basic rationalization of coal operations.

**Machinery.** \$200 million were originally budgeted for machinery imports for the second half of fiscal 1959-60; but with additions made the final figure came to \$280 million. The reason for this was that, with recovery of business, investment in plant and equipment also underwent notable growth. (It must be noted that \$30 million was appropriated for importation of a commercial-scale nuclear reactor.)

Investment in plant and equipment is expected to be even more active during fiscal 1960-61, particularly since the need for new machinery to cope with the situation arising from decontrol of trade is bound to be considerable. Consequently, for the first half of fiscal 1960-61 there is budgeted the amount of \$300 million for machinery purposes (\$6 million for nuclear reactor). Excluding the sum appropriated for atomic power, the new machinery import budget is up by some 20 percent.

#### Liberalization Marks Time

Together with the increases in amount for quota system items, there was a boost to \$970 million of the automatic approval system budget. This means increase of \$270 million over the level of the second half of fiscal 1959-60. Generally speaking, the boost involved the following points:

(1) In connection with established AA items, the increase amounted to \$80 million.

(2) The shift of certain items (steel scrap, beef fat, crude lard, Etc.) to AA in order to end dollar discrimination necessitated increase of the AA budget by some \$160 million.

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(3) Shift of nickel ore, coffee beans and 302 other items (see note) to AA calls for addition of some \$30 million to the AA budget. (AA items now number 1,067 commodities.)

To the items coming under the automatic exchange allocation system have been added chinaware and pottery, chemicals and 248 other items to make a total of 334 items to make the sum budgeted for this type of importation \$30 million (\$10 million for the quarter ended with March).

It is noteworthy that all the above changes were announced in January, and that nothing new by way of decontrol has been indicated through compilation of the foreign exchange budget for the first half of fiscal 1960-61. Consequently, it can be said that progress in liberalization is at a temporary standstill pending the announcement of the official decontrol schedule at the end of May.\*

In conclusion, a brief outline will be presented of the invisible trade payments budget. The invisible payments budget for the first half of fiscal 1960-61, excluding the appropriation for normal contingencies, stands at \$594 million, up \$75 million from the \$519 million of the preceding half-year. This budget is the biggest yet since the war; and the increase in size is due to :

(1) Increase in the appropriation for items not requiring government approval.

(2) Increase in the appropriation for planned items requiring government approval, which effects, in practice, an easing of restriction.

Note. Because there is no definite basis for classification of items, it matters little whether this group of items be called the 300-item or 250-item group.



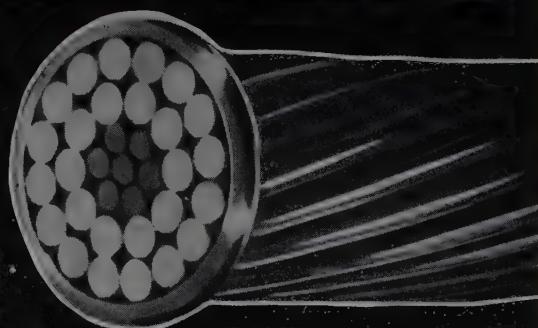
5. Invisible Trade Payments Budget, First Half, Fiscal 1960-61		
	(In \$1,000)	
Planned Items . . . . .	289,000	(253,716)
Transportation . . . . .	130,700	(130,845)
Insurance . . . . .	100	( 60)
Foreign Travel . . . . .	17,500	( 9,500)
Foreign Investors' Earnings . . . . .	7,300	( 2,003)
Expenses Incidental to Trade . . . . .	47,000	( 40,020)
Royalties, Etc. for Technology . . . . .	4,900	( 5,000)
Other Services . . . . .	35,400	( 27,101)
No Charge Transactions . . . . .	700	( 450)
Long-Term Capital Transactions . . . . .	42,600	( 33,752)
Short-Term Capital Transactions . . . . .	400	( 3,281)
Commodities Transactions, Etc. . . . .	2,400	( 1,704)
Free Items . . . . .	305,000	(265,744)
Current Transactions . . . . .	230,000	(210,075)
Capital Transactions . . . . .	75,000	( 55,669)
Normal Contingencies . . . . .	50,000	( 33,470)
Total . . . . .	644,000	(552,930)

Note: 1. Parenthesized figures are final figures for second half of fiscal 1959-60.

2. Parenthesized figure for "Other Services" includes government transactions, communication services, Etc.

For example, travel for business purposes has been virtually decontrolled as a result of notable increase of budget, while with transportation expenses the new system permits remittance of foreign exchange, without government approval, for freight on iron ore and lumber import shipments. Consequently, together with the measure implemented since February last, it has been made possible now to pay freely in foreign exchange all freight charges for export and AA system import shipments. Further, the budget for expenses incidental to trade has been increased in anticipation of bigger funds requirements on the part of trading firms. Incidentally, the increase of the long-term capital transactions appropriation, shown in Table 5, includes \$6.5 million to cover the additional operating costs and concession fees that are expected to result from the full-scale activities of the Arabia Oil Company.

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# Advertising Business in Japan

ADVERTISING in the modernest sense of the word has made a rapid progress in this country after the war's termination, particularly in these several years. The scale of Japan's advertising business, however, was not made known accurately to the public in general until quite recently. For instance, the exact amount of annual appropriations set aside for public relations operations by Japanese enterprises, the mark of keenest interest to advertising agencies, was kept completely in the dark until a few years ago principally because of the lack of systematic coordination among advertising agents catering to different branches of business and industry. The spectacular advance of advertising business in Japan in recent years, however, has come to lead to publication of a series of dependable data on advertising in this country. Statistical figures compiled by Dentsu Advertising, Ltd., the largest advertising agency in Japan, gives the following picture of "Advertising in 1959."

## ¥150,000 Million for Advertising

According to figures compiled by Dentsu, the total expenditure of all business and industrial enterprises for advertising in calendar 1959 (January-December) aggregated ¥145,600 million, increasing 36.7% over the calendar 1958 spending for the same purpose and registering the highest annual increase since the war's termination. To give a concrete figure, the increase of expenses for advertising in calendar 1959 stood at ¥39,100 million, more than equal to the total advertising expenditure in calendar 1952 at ¥38,500 million. Japan's advertising spending shattered the ¥100,000 million mark for the first time in 1958, and the ¥150,000 million mark was almost neared in 1959, the amount roughly equal to the annual freight revenue of the National Railways, the gross annual national sales of confectionery, or the combined yearly proceeds of all department stores in the Tokyo metropolitan area. Japan's advertising spending in 1959, however, is not particularly and necessarily surprising in view of the international scale of advertising business. Despite the swift expansion in recent years, the ratio of advertising expenses to national income in Japan still stands at 1.5%, far below the like ratio of 2.8% in the United States, although it is nearing Britain at 1.9%. Nevertheless, it is still markedly higher than the tiny amount spent by Japanese enterprises for advertising before the war when such mass communication media as television

## 1. Spending for Advertising in Japan

(In ¥100 million)

Year	Total	News-papers	Journals	Radio	T.V.	Others	Over-seas
1950 . . .	167	120	7	—	—	40.5	—
1951 . . .	243	180	10	3	—	50	—
1952 . . .	385	270	18	22	—	75	—
1953 . . .	491	320	25	45	1	100	—
1954 . . .	550	322	30	74	4	120	—
1955 . . .	609	337	35	98	9	130	—
1956 . . .	745	405	40	130	20	150	—
1957 . . .	940	510	50	150	60	170	—
1958 . . .	1,065	525	55	157	105	210	13
1959 . . .	1,456	618	80	162	238	334	24

Source: Dentsu.

## 2. Advertising Spending vs. National Income

	Japan*	U.S.**
1955 . . .	0.90%	2.8%
1956 . . .	0.97	2.9
1957 . . .	1.12	2.8
1958 . . .	1.26	2.8
1959 . . .	1.51	2.8

Sources: \* National income based on national budget (fiscal year).

\*\* National income based on "Federal Reserve Bulletin."

or radio broadcasting were absent. Leading advertising agencies and publicity experts are unanimous in the prediction that the spending for advertising in calendar 1960 will easily reach the ¥180,000 million mark. What then are cardinal advertising media in Japan in these days of the "public relations boom?" Newspapers, journals, radio and television are the four outstanding channels through which Japanese enterprisers generally choose to publicize their products or services. For instance, advertisements through these four principal media in 1959 accounted for 75.5% of the total spending for advertising. Especially noteworthy in this respect were the remarkable increase in spending for advertising drives through television programs and periodicals in 1959 because of the successive opening of new TV stations and the consecutive debut of weekly magazines. Of these two media, television in 1959 made a more aggressive advance with its position among the "Big 4" elevated from the third place in 1958 to the second by increasing revenue by 2.3 fold, and coming to account for 16.4% of the total 1959 spending for advertising through all media (as compared with 9.6% in 1958). Radio broadcasting, which had reached a peak in 1956, continued to mark time later, and its income from advertising in 1959, the year of the greatest advertising boom in history, gained only 3.1% over 1958. Its weight in the total advertising revenue in 1959 also slipped to 11.1% from 14.9% in 1958, presumably because of the advance of television. With television thus making surprising inroads upon the fields of other advertising media, however, newspapers continued to uphold the top leadership with the income from advertising in 1959 increasing 17.7% over 1958 to ¥61,800 million, although its weight in the total revenue from advertising dived about 9.0% to 42.5%. Considering the corresponding weight of 30.6% for newspapers in the United States, however, the demand for newspapers as an effective medium for advertising in Japan appears strong.

Advertising through journals (except newspapers) also made a formidable advance in 1959 with the revenue increasing 45.5% over 1958 to ¥8,000 million, or double the like income in 1956, apparently because of the recognition by advertisers of the value of magazines as an effective publicity medium after a few years of stalemate, although it may also be noted that advertisements not accepted by newspapers due to limited space found substitutes in journals.

### Machinery & Foodstuffs as New Sponsors

On the list of principal advertisers in Japan, pharmaceuticals, toilet goods and publications were the three outstanding advertisers before the Pacific War. After the war, however, machinery (including equipments and household appliances) and food products have come to vie for the top place on the list of sponsors with pharmaceuticals and toilet goods following. Especially since 1958, the spending for advertising by machinery (chiefly household electric appliances) has been increasing at a notable tempo. In following the change in the order of top-ranking advertising sponsors in recent few years, it is noted that machinery and equipments, with their advertising expenses at ¥6,230 million in 1956 and ¥10,400 million in 1957, stood under pharmaceuticals, but gained the first place for the first time in 1958 at ¥12,810 million, and made another bulky leap of 58.0% in 1959 to eclipse the ¥20,000 million mark. Pharmaceuticals, which maintained the top place until 1957, receded to the second place in 1958, and slipped to the third place in 1959, replaced by food products, indicating the limit of advertising spending by pharmaceutical business. Food products (including drinks), which stood behind in the fourth place in 1955, made a spectacular increase of 52.0% in 1959 to take the second place on the crest of positive advertising drives staged by manufacturers of alcoholic drinks and seasonings. Other advertiser-enterprises on the list have continued to make sound headway with motion pictures and theatricals recovering slightly in 1959 out of the 1958 decline. Toilet goods in 1959 also made a fair gain to the ¥10,000 million mark due apparently to excessive competitions, and banking and insurance companies also spent 50.0% more for advertising in 1959 on the spur of the stock investment boom. Also up about 50.0% were advertising rates paid by textile goods for clothing because of the debut of numerous new chemical and synthetic fibres.

### 3. Component Weights of Advertising Media

Year	Newspapers	Journals	Radio	T.V.	Others	Overseas
1950 . . . . .	71.6%	4.2%	—	—	24.2%	—
1951 . . . . .	74.1	4.1	1.2%	—	20.6	—
1952 . . . . .	70.1	4.7	5.7	—	19.5	—
1953 . . . . .	65.2	5.1	9.2	0.2%	20.3	—
1954 . . . . .	58.5	5.5	13.5	0.7	21.8	—
1955 . . . . .	55.3	5.7	16.1	1.5	21.4	—
1956 . . . . .	54.3	5.4	17.4	2.8	20.1	—
1957 . . . . .	54.2	5.3	16.0	6.4	18.1	—
1958 . . . . .	49.3	5.2	14.7	9.9	19.7	1.2%
1959 . . . . .	42.5	5.5	11.1	16.4	22.9	1.6
U.S (1958) . . .	30.6	7.6	6.0	13.3	42.5	—

Source: Dentsu.

Classifying advertisers by the publicity media adopted, advertisements may be roughly classified into two categories—those depending chiefly on printed matters, and those relying almost exclusively on radio waves. Comprising the former group are motion pictures (with 97.3% of total advertisements made through printed media), publications (89.0%); department stores (83.1%), pharmaceuticals (60.4%), and others (chiefly key manufacturers specializing in producer goods: 75.0%). It is noted that the branches demanding persuasion in publicizing merchandise generally choose printed items for advertising media. Belonging to the latter group are machinery and appliances (45.8%) and food products (53.3%). In the case of machinery and

appliances, enterprisers are generally more enthusiastic for preferring radio waves as the principal medium for publicity partly because radio and television machines themselves are the products of their making. Food products enterprisers also choose television programs for advertising to make direct appeals to juvenile customers. In tracing the growth of television utilization by food products and machinery-appliances, it is noted that their payments for advertising through T.V. programs in 1959 increased 2.6 fold and 2.3 fold, respectively, over the 1958 equivalents. It is particularly noteworthy their spendings for T.V. advertising increased with expenses for advertising through radio programs also kept fairly upward.

### Technological Reform & Consumption Revolution

Why, then, have advertising expenses been increased to such enormous proportions in these few years? There is no doubt that the continuous spell of business boom has spurred the advertising volume upward. Equally responsible is the increasing number of television stations and weekly journals, offering a wider field for advertising media to stimulate larger advertising outlays. The basic cause, however, is deeper-rooted, as larger earnings for enterprisers and an increasing number of advertising media alone are not considered to give sole reasons. There is an outstanding factor which has led to the overall transformation of the advertising market in this country after the war. It is a drastic change in the consumption pattern of the ultimate consumers—the general masses, commonly called the "consumption revolution." Although the so-called "consumption reform" has been brought about principally by virtue of the introduction of new products on the market made possible by technologically-progressive enterprisers, the permeation of such new products in society generally lead consumers to demand other new products, and enterprisers in turns cater to such demands by manufacturing newer products. The situation naturally compel manufacturers to develop markets for such newer products by stimulating fresh demands. In undertaking publicity drives for newer products, advertising, without serving only as mere information, is required to be challenging and provocative in character. Hence, the positive pursuit of more aggressive media of advertising. Another principal cause of concrete gains in advertising outlays may be traced to the increasing uniformity of products in quality and price through mass production. With a specific product manu-

### 4. Advertising Expenses by Enterprises

(In ¥100 million)

	1955	1956	1957	1958	1959
Machinery & Equipments . . . . .	48.0	62.3	104.0	128.1	202.0
Food Products . . . . .	44.4	56.8	82.9	95.2	144.1
Pharmaceuticals . . . . .	78.2	96.2	124.2	126.2	142.2
Toilet Goods . . . . .	50.4	62.2	74.7	79.6	101.1
Publications . . . . .	36.0	43.8	50.7	57.8	72.2
Sundries . . . . .	14.1	20.5	31.9	39.1	59.7
Movies & Theatricals . . . . .	40.6	43.6	49.2	47.6	49.3
Department Stores . . . . .	24.6	28.7	40.1	42.5	48.1
Banking & Insurance . . . . .	16.2	14.5	24.3	31.2	45.9
Clothing & Textile Goods . . . . .	13.6	18.7	25.3	30.5	44.2
Transportation & Communications	4.3	5.4	7.4	9.0	11.1
Others . . . . .	99.6	122.5	155.3	154.7	178.3
Total . . . . .	470.0	575.0	770.0	842.0	1,098.1

Source: Dentsu.



## Kansai Electric Power Co., Inc.

Gigantic Osaka Steam Power Station now in Operation



It was in May, 1951 that the Kansai Electric Power as it is now was formed succeeding to the assets and operations of Nippon Hasso Den and Kansai Haiden. At the time of inauguration the Company's capital stood at a meager ¥1,690 million with the total capacity of 2,280,000 kWh (1,130,000 kWh of water power and 1,150,000 kWh of thermal power). In a matter of some nine years, however, the Company's capital was boosted to ¥31,500 million (as of March, 1960), while the generation capacity was upped to the total of 3,640,000 kWh (1,560,000 kWh of hydraulic and 2,080,000 kWh of thermal). The Company's total power sales now accounts for some 20% of the nation's total.

The Company covers six prefectures in the Kinki District which includes the highly industrialized belt of Kyoto-Kobe-Osaka area. This accounts for the greater percentage of power for industrial use (82.7%) in comparison with that for lighting purposes (17.3%). Especially noteworthy are the percentages held by such industries as iron-steel (16.2%), transportation-communication (11.0%), chemical industries (8.8%) and textiles (4.5%).

Endowed with one of the most abundant water resources in the country, Kansai Electric Power's position is further strengthened by the management's aggressive policy in the development of thermal power capacity. Thus, buoyed up by the minimum cost and bountiful demand, the Company leads other power companies in its business results. The Company's

reputation as one of the leading power firms in Japan has been steadily mounting on the international level.

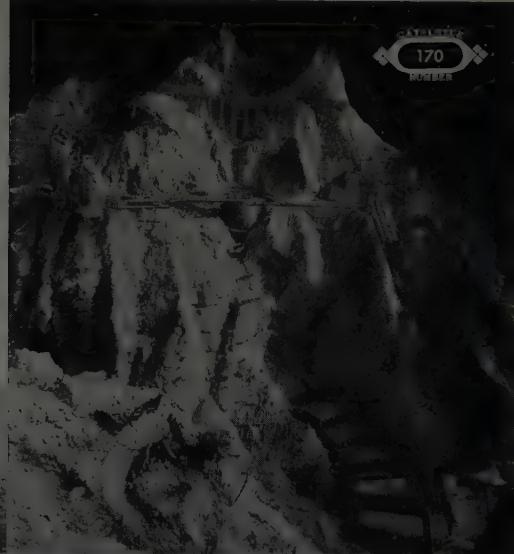
The Company's total power sales in the fiscal 1959 is currently estimated to be around 13,822 million kWh—2.5 times the amount at the inauguration of the Company. With annual 9% demand growth all but assured, the Company's future is extremely rosy.

In its attempt to fully meet the rapidly growing power demand, the Company has completed during the fiscal 1959 three thermal plants—one each in Osaka, Himeji and Sumoto, all of which are now in operation. Especially noteworthy is the Osaka Thermal Plant with its gigantic output of 624,000 kWh—the biggest in the Orient.

In the water power department, the Company has now under construction two king-size plants. Especially in the lime-light is the Fourth Kurobe River Plant which is due to be completed in November, 1962. This plant which is going to be equipped with one of the most powerful arch-dams in the whole world is expected to have the maximum output of 258,000 kWh. Also on the Company's agenda is the development of an atomic power plant.

Head Office : 164 Umegae-cho, Kita-ku, Osaka  
Cable Address : "KANSAI POWER"

Fourth Kurobe River Power Station under Construction



factured almost in the same quality and marketed at almost the same price, the sales competition eventually tends to grow tenser, and advertising and designing will decide the game. It is mostly under these circumstances that fierce advertising campaigns are undertaken for electric machines (such as television sets, refrigerators, transistor radios and coolers) and synthetic detergents. In sum, the sales competition has now evolved from the stage of price races to the arena of advertising supremacy.

#### Monopolization & Advertising Race

Advertising is reportedly defined in the United States as a non-price competition inevitably resultant from a state of monopolization by a few. The situation is generally developing in this direction in this country, especially in

#### 5. Advertising Spending in 1959 by Enterprises & Ad. Media

(Percentage)

	News-papers	Journals	Radio	T.V.	Total
Machinery & Equipments . . . . .	41.9	8.4	13.0	32.8	100.0
Food Products . . . . .	41.6	5.1	17.4	35.9	100.0
Pharmaceuticals . . . . .	53.0	7.4	21.2	18.4	100.0
Toilet Goods . . . . .	52.6	9.4	16.1	21.9	100.0
Publications . . . . .	88.0	1.0	6.6	4.4	100.0
Sundries . . . . .	45.4	17.1	12.8	24.7	100.0
Movies & Theatricals . . . . .	96.0	1.3	2.4	0.3	100.0
Department Stores . . . . .	82.5	0.6	7.6	9.3	100.0
Banking & Insurance . . . . .	45.4	17.2	7.3	30.1	100.0
Clothing Textiles . . . . .	31.8	21.5	13.9	32.8	100.0
Transportation & Communications	40.4	7.5	24.0	28.1	100.0
Others . . . . .	71.9	3.1	19.5	5.5	100.0
Total (Average) . . . . .	56.2	7.3	14.8	21.7	100.0

Source: Dentsu.

the case of electric appliances. Leading manufacturers such as Matsushita Electric, Hayakawa Electric, Sanyo Electric, Hitachi Works, Mitsubishi Electric and Nippon Electric account for more than 80.0% of the national production of television sets. Although the domestic demand for durable electric equipments is bound to continue strong, the desire on the part of manufacturers to retain the markets once obtained compels the incessant soaring of advertising outlays. In such advertisements, enterprises place first priority on "selling the companies' names" rather than selling the very products. In the case of pharmaceuticals, on the other hand, the advertising campaigns usually take the form of sales drives at excessively low prices due to the mushroom rise of new manufacturers and products. Unlike electric machines, the demand for pharmaceuticals and toilet goods has already reached a saturation point in this country, and there is little possibility of having to cater to a new demand. With the situation as it is, however, dependence on advertising competitions by pharmaceuticals and toilet goods is far weaker than enterprises "monopolized by a selected few" like electric appliances. Even in the case of toilet goods which are little different in quality and price despite the disorder of the circulation mechanism resulting from the mushroom rise of manufacturers, large and small, advertising races are extremely fierce, although the basic character of such competitions is somewhat different from the advertising race among electric machinery makers. For instance, advertising appropriations for toilet goods are not particularly sizable, considering the apparent showiness of publicity programs.

Advertising by food products enterprisers is more positive than that by toilet goods, although many of them are as small-scaled. The recent hike of advertising expenses in the food products sector is considered attributable to the increasing volume of high-costing T.V. advertising, as well as the successive debut of new food products (mostly processed items). Also responsible for the growing advertising budget for food products is the positive advertising drives sponsored by "monopolistic" branches like beer and other alcoholic drinks.

The latest growth of advertising outlays is also due to the increasing competition among companies in the same lines, and the indigenous practice among Japanese enterprises to put advertisements in specific publications "out of sympathy." Considered partly contributive to the prosperity of advertising business is the increasing need of public announcements by more conservative branches like banking and insurance as well as securities merchants.

#### 6. Advertising Expenses by Food Products

	1958	1959
Alcoholic Drinks . . . . .	36.7%	32.7%
Seasonings . . . . .	26.2	24.6
Confectionery . . . . .	15.3	18.7
Dairy Products . . . . .	8.2	7.0
Others . . . . .	13.6	17.0

Source: Dentsu.

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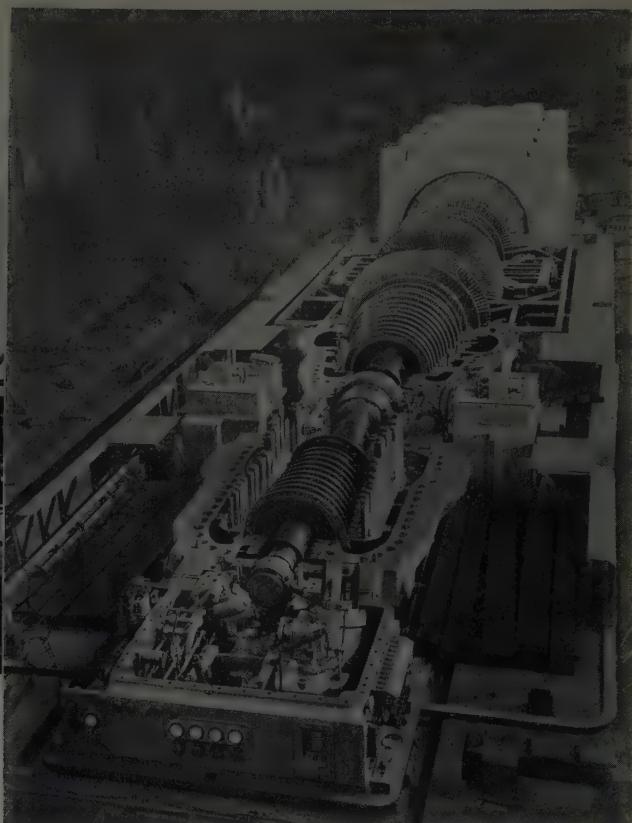
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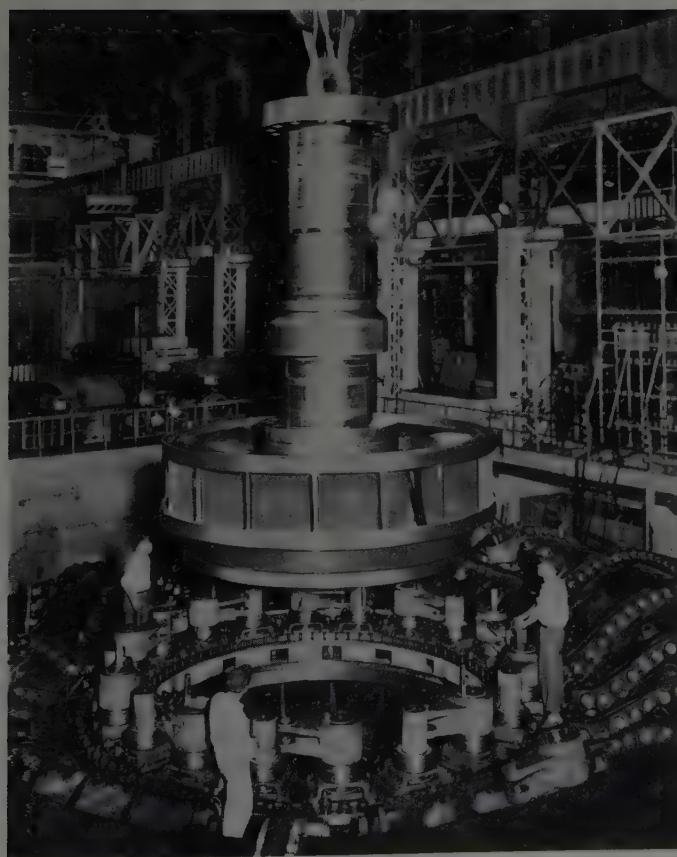
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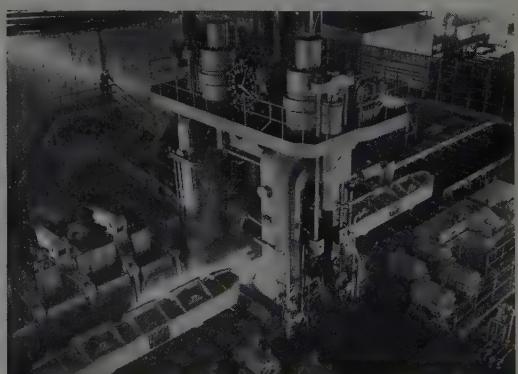
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Views & Topics

# Industrial Water Supply

By Daishin Fujioka

IN recent years there has been growing recognition of the fact that adequate supply of industrial water is a prerequisite for expanding production.

To make up for shortages of industrial water, various actions have been proposed including, among other things, the laying of waterworks of industrial water, rational use of available water by recirculation, and the use of waterworks of industrial water other than underground water to prevent further widespread subsidence of industrial sites; and because in some instances the problem of industrial water supply has become quite acute that public awareness has been aroused.

### Estimated Requirements

For the purpose of formulating a 5-year plan for expansion of industrial water supply systems the Ministry of International Trade and Industry undertook a survey of the actual consumption during 1956 of water for industrial purposes in 2,938 factories scattered throughout Japan. On the basis of the results obtained, MITI provisionally drafted a 5-year industrial water supply plan covering the period 1958 through 1962. This tentative plan drew widespread attention, and served to highlight the problems of industrial water supply.

Subsequently, however, doubt was expressed in some quarters as to the validity of the MITI estimates of expected requirements since the sample used, counting only those factories with more than 30 workers, did not come to more than 10 percent; and it became necessary to take a full count to check the precision of the original estimation. Therefore, when undertaking the annual statistical survey of manufacturing for 1958 the questionnaire was expanded to cover use of water for industrial purposes, and a 100 percent check was made of all factories in Japan employing more than 30 workers.

Tabulation of the results of this investigation was partly completed in September 1959, and in conjunction with "Regional Production Forecast" prepared by the Materials Coordination Section of the Office of the Minister for International Trade and Industry, there was worked out an estimate of industrial water requirements on a regional basis.

It was found that against the actual fresh water requirement of 23 million cubic meters per day in 1958 there would be required in 1967 some 39 million cubic meters per day, and that in order to meet this demand it would be necessary, in addition to better utilization of existing facilities and recovery of waste water, to boost the capacity of waterworks systems 438 percent, or roughly four and a half times.

The industrial water requirements estimation was undertaken, needless to say, in collaboration with the Industrial Location Section of MITI. But there remains the pos-

sibility that the predicted needs are on the low side. Consequently, it is obvious that every possible effort will have to be made to overcome the foreseeable shortages since industrial water supply is a key factor governing the future growth of production, and the foundations of Japan's industry may be disastrously weakened by lack of water.

As everyone knows, the phenomenal growth of industry in the past few years owes much to the water-consuming heavy and chemical industries. Consequently, the amount of industrial water required per unit value produced will most certainly not be the same as it was in the past, and in making estimations for the future use must be made of the standard requirement per unit output of each different type of industry.

In this connection, although it is possible to predict with some degree of accuracy the future growth trend of industrial operations already established on specific sites, there is no way of guessing the future requirements of undeveloped industrial sites. However, the "Regional Production Forecast" does partially take into account the possibilities, based on experience and past trends. This may appear rather reckless, but due consideration was given to all the factors governing production, such as possibility of reclamation for industrial site, availability of industrial water supply, marketing conditions, transportation, and other physical and economic conditions cited by the Industrial Sites Section.

Thus, the basis for the industrial water requirements in the years to come was carefully worked out with the utmost possible precision; and the estimated requirements are stated by different type of industry for 80 different industrial zones in Japan. The total requirement figure already mentioned is the result of a tabulation of these specific needs, together with the anticipated needs in areas other than the 80 zones designated as industrial zone (it is presumed that one-third of all industrial activity, and one-half the activity of the 80 industrial zones, will take place in non-designated areas).

Table 1 shows the estimated requirements by industrial classification. Ranking first as the heaviest user of water is "paper and pulp," followed by "chemical fertilizer," "textiles," "iron and steel," and "inorganic and organic chemical products." These four categories of industry are generally known as the water-consuming industries. Two sets of figures are given for the estimated requirement in 1967. The lower figures indicate the requirements should the growth of production be at the rate of 9.3 percent per annum; and in this case the total daily requirement in 1967 will come to some 56 million cubic meters per day, just twice what it is at present.

## 1. Estimated Industrial Requirements

(unit: cubic meter per day)

Industrial Category	1958 (Actual)	1967 (Estimate)
Textiles (cotton yarn, viscose rayon staple wool, high tenacity rayon, acetate rayon staple wool, bemberg, acetate rayon yarn, vinylon, nylon, vinylidene, vinyl chloride fibers, polyester and acryl fibers, dying and processing)	2,074,900	{ 3,148,800 4,537,400
Paper and pulp (printing paper, cardboard, Japanese paper, SP, DSP, BKP, UKP, SCP, AP, and GP)	4,782,500	{ 8,290,400 11,946,700
Cement and Sheet Glass	169,600	{ 273,700 394,400
Iron and Steel (blast furnace pig, open hearth ingot, converter ingot, regular steel, special steels)	1,443,800	{ 2,783,300 4,010,700
Chemical Fertilizers (Ammonium sulphate, urea, cyanamide, superphosphate, phosphates, and processed fertilizers)	133,200	{ 215,900 311,100
Inorganic and Organic Chemical Products (sulphuric acid, electrolytic soda, ammonia process soda, soda ash, carbide, urea resins, vinyl acetate, polyethylene, methanol, synthetic rubber)	2,468,800	{ 4,107,800 5,919,300
Food (beer, sugar)	375,300	{ 567,400 817,600
Thermal Power (steam power generation)	511,000	{ 1,460,300 2,104,300
Other	9,537,500	{ 15,860,700 22,858,200
Total	22,909,000	{ 38,740,000 55,824,000

## Industrial Water Supply Planning

With the expected requirements computed, and with the knowledge that supply is essential for growth of production, it is obvious that despite the existence of some problems the supply of industrial water must be provided as called for.

The Geological Survey of MITI has been conducting a nationwide survey of the availability of underground water in the industrial zones in connection with its study of industrial water resources in general. From the data provided by this Geol. Survey there was estimated the possibility of utilizing underground water for industrial use. In those areas such as the Tokyo-Yokohama, Nagoya (including Yokkaichi), and Kobe-Osaka districts where intensive use of underground water has been the practice, the steady sinking of industrial sites will prevent further exploitation of underground water, and the volume of water pumped from the water tables will have to be reduced. Use of water from rivers and streams is one solution; but it is becoming increasingly difficult for individual industrial operations to have access to such water. Where site location permits such utilization, the plan is to draw water on an independent basis for industrial use.

Also, future planning calls for increased use of cir-

culated water; and it is estimated that by this method the supply can be increased by some 4 million cubic meters per day. Although much cannot be expected from existing drinking water supply systems, there is the possibility that some 480,000 cubic meters per day of industrial water can be made available in the smaller cities and towns. In these places it is more economical to enlarge existing facilities than to plan completely new supply systems.

As for special waterworks systems for industrial water supply, it is predictable that because other sources tend to be limited dependence on industrial water systems will increase at a sharp rate.

The problem would be simple were it possible to expand the capacity of existing systems; but since the sources present capacity difficulties, and distance to abundant sources tends to increase in the case of the bigger industrial zones, increase in charges for industrial water cannot be easily avoided especially when dams are built for water resources development (this leads to the necessity of government subsidies).

Table 2 shows the expected increase of supply, based on the plans formulated by the local government bodies in the 80 or so industrial zones and in other places.

## 2. Industrial Water Supply Planning, by Source

(unit: cubic meter per day)

Source	1958 Actual A	1967 Planned B	Growth Rate		Increase A-B
			%	%	
Own Source	15,425,700	67.1	17,759,540	45.8	115
River and Other	7,916,800		9,963,800		2,047,000
Underground Water	7,508,900		7,795,740		286,840
Purchased Water	2,808,000	12.6	12,300,760	31.7	438
Drinking Water	1,457,200		1,940,100		482,900
Industrial Water	1,350,800		10,360,660		9,009,860
Circulated Water	4,675,300	20.3	8,679,700	22.5	186
Total	22,909,000	100	38,740,000	100	15,831,000

## Industrial Water Supply Planning

by Industrial Zones

Taking the ten industrial zones with the heaviest requirements, the plans for increase in supply are as shown in Table 3. In these areas much trouble is being encountered as a result of excessive tapping of underground water. Consequently, steps are being taken to restrict pumping, and to replace this source of supply by industrial waterworks systems. As much as 87 percent of the total requirement in such substitution must be considered

## 3. Industrial Water Supply Planning, by Industrial Zone

(unit: cubic meter per day)

Zone (Top Ten)	Industrial Fresh Water Requirement	Deficit (A-B)	Industrial Waterworks	Planned Supply	
	1958 Actual(A)	1967 Estimate(B)		Own Source	Other
Suruga Bay Area	1,989,800	2,498,100	508,300	156,960 (156,960)	▲ 201,340 □ 150,000
Tokyo Area (Tokyo-Yokohama Industrial Zone)	1,167,100	1,310,000	142,900	246,000 (246,000)	▲ 123,000 □ 19,900
North Kyushu Area	793,400	1,419,800	626,400	220,000 (220,000)	▲ 406,400
Toyama-Takaoka Area	785,600	845,000	59,400	179,400 (200,000)	▲ 120,000
Kobe Amagasaki Area (Osaka-Kobe Industrial Zone)	745,100	1,080,600	335,500	409,000 (409,000)	▲ 150,000 □ 76,500
Osaka Area (Osaka-Kobe Industrial Zone)	707,700	1,019,700	312,000	427,200 (427,200)	▲ 127,000 □ 11,800
Yokohama-Kawasaki Area (Tokyo-Yokohama Industrial Zone)	650,200	1,448,000	797,800	756,900 (756,900)	□ 40,900
Nagoya Area	600,100	1,090,000	489,900	514,000 (514,000)	▲ 73,000 □ 48,900
Ube-Onoda Area	484,000	582,600	118,600		* 48,600 □ 70,000
Toban Area	444,200	741,400	297,200	247,200 (302,000)	
Total	8,347,200	12,035,200	3,688,000	3,156,600 (3,232,060)	* 48,600 □ 874,400
Grand Total	22,909,000	38,740,000	15,831,000	9,009,860 (9,099,160)	▲ 593,000 □ 167,000
					* 839,840 □ 4,004,400
					△ 673,000 □ 482,900

Notes: 1. Parenthesized figures indicate capacity of industrial waterworks systems  
2. ▲ figures denote decrease of drain on own sources through use of industrial waterworks supply  
3. ▲ stands for underground water, \* for river water, □ for recirculation, and × for drinking water

for these ten industrial zones. As for re-use of waste water, the practice is far more prevalent in these areas than elsewhere because supply of industrial water has become increasingly tighter. Consequently, much cannot be expected of recirculation as a means of easing the supply; and at least one third of the planned increase in industrial waterworks systems is for these ten zones.

### Industrial Waterworks Systems Installation Planning

The sharp rise in industrial requirements has necessitated prompt action for installation of industrial water supply systems. In order to maintain proper equilibrium between supply and demand it will be necessary during the six years ending with 1966 to increase the capacity of industrial waterworks systems by 8,780,000 cubic meters per day (an increase of some 9,100,000 cubic meters when the increases of 1958 and 1959 are added). The annual investment in these systems will run at about ¥14,000 million to total about ¥99,800 million for the six years ending with 1966. Of this amount, some ¥17,000 million can be expected to be made available from the Treasury in the form of subsidy. Table 4 is a cumulative tabulation of the cost and daily capacity of the projected industrial water supply systems.

This plan will suffice to fulfill the requirements indicated in Table 3. However, if the growth of demand goes on at 9.3 percent per annum, the supply must be increased by about 10.8 million cubic meters per day, with the cost up by about ¥92,000 million. The total added capacity will then be 19.9 million cubic meters per day, at a total cost of some ¥191,800 million.

#### 4. Cumulative Tabulation of Industrial Waterworks Costs

(units: ¥ million and 1,000 cubic meters per day)

	Up to 1959	1960	1961	1962	1963	1964	1965	1966
Project Cost . . . . .	12,495	26,503	40,615	54,835	69,153	83,512	97,877	112,292
	14,008	28,120	42,340	56,658	71,017	85,382	99,797	
Treasury Subsidy . . .	1,827	4,038	6,490	9,054	11,543	13,808	16,257	18,835
	2,211	4,663	7,227	9,716	11,981	14,430	17,008	
Added Supply . . . . .	1,673	2,397	3,116	4,996	5,957	6,912	7,772	10,457
Capacity . . . . .	724	1,443	3,293	4,284	5,239	6,009	8,784	

Note: Upper figures cumulative totals  
Lower figures cumulative starting with 1960

### Securing of Funds and Sources of Supply

It goes without saying that one of the major difficulties in going ahead with the plans for increasing the supply of industrial water is financing. Unless there is whole-hearted support from all quarters it will not be easy to secure the huge amount of money needed for the project. On the other hand, if the matter is neglected it is obvious that industrial production will be directly impeded. So once the situation is properly understood it is more than likely that the funds will be forthcoming. Nevertheless, because there exists a group of people who argue without regard for the economics involved special effort will be necessary to ensure the availability of funds, particularly the Treasury subsidy, for adequate supply of industrial water.

The securing of adequate sources of water supply presents difficulties at least as great as those in connection with financing. In some localities, industrial requirements are already encroaching upon agricultural water supply, and development of new sources has become increasingly difficult. Although it may appear queer that water shortages occur despite an annual precipitation of some 600,000

million tons of rain, it is a stark fact that utilizable water resources are rapidly diminishing, and water must be brought in from distant points after trapping by means of dams.

Currently, multi-purpose dams are being built when economically justifiable; but as distances become greater and investments run high it will be increasingly more difficult to build the needed dams. The Tokyo Metropolitan Government is going ahead with plans to tap the Tone River system by dams at Yagizawa and Shimokubo, but the economics involved present a serious problem.

It appears, therefore, that the time is ripe for a drastic change in thinking in connection with water resources. In the same way that canals and aqueducts are developed on a national scale in the interest of the public, it is suggested that water supply systems be undertaken by the central government as a part of the public works program. Since, as a matter of policy, the government undertakes projects that do not necessarily pay, there should be nothing unreasonable about investment in aqueducts which cannot be expected to yield immediate returns.

In the United States, aqueducts of 200 or 300 kilometers in length are fairly commonplace, while recently a 1,000 kilometer channel is being built to open up a new industrial area. Much of this work is done by the Federal Government, so the localities benefit from central government aid.

Unless something of this sort is applied to the industrial area bordering the Bay of Tokyo there can be no hope for cheap industrial water supply. If nothing is done, the cost of water will result in higher production costs, and the price advantage of Japan's export goods will be reduced or lost. The only satisfactory solution therefore would be for the government to undertake the construction of a new canal for bringing in an adequate supply of water.

Development of adequate water sources raises various other problems. Effort must be directed toward maintenance of existing underground water supply as well as toward utilization of waste water, while in recent years the practicability of purifying sea water has become less remote. Consequently, the Ministry of International Trade and Industry should undertake positive study of the various methods proposed for utilization of sea water.

### Sea Water Purification

The Industrial Science & Technology Agency of the Ministry of International Trade and Industry has been developing a salt-making process using refrigeration, and final experimentation should be completed before April 1960. Although there remain two or three problems in connection with the process, the cost could be reduced if, instead of considering salt as the end-product, the method were used for obtaining fresh water from sea water. At present, the cost of a cubic meter of fresh water obtained in this way stands at about ¥50, so it cannot be used for industrial purpose. But if extremely cold water can be obtained, and if the thermal energy held can be utilized, the cost per cubic meter may come down to ¥15 or ¥20. Although there are other processes for purifying sea water, such as by ion exchange resins and membranes, they all tend to be costly. Research and experimentation, however, should be continued to find out how these methods compare with the refrigeration process, and some cheap, practical method will have to be discovered.

(The writer is chief, Industrial Water Section, Enterprise Bureau, Ministry of International Trade and Industry)

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## Foreign Trade

### Dwarfed Dependence on the U.S.

Japan's balance of international payments in 1959 registered a sizable excess of receipts over payments partly because of a sharp gain in exports to the United States. In contrast, Japan's imports from the United States in fiscal 1959 rather stood still relatively, considering a comfortable hike in her overseas purchases, as supply sources of cardinal products on Japan's import list gradually shifted from that country to other areas. Although it may be hasty to jump at the conclusion that the keynote of Japan's foreign trade has been shifted to an export excess, it may be noted that the year of 1959 marked a turning point in trade between the two friendly nations across the Pacific. Responsible for the export excess in Japan's trade with the United States last year were the increment of exports and the standstill of imports. The steady change in the complexion of the domestic supply-demand relationship in Japan was partly responsible for the relative standstill of Japan's imports from the United States, but there is no denying at the same time that the competitive power of U.S. goods on the international market has grown somewhat weaker.

### 1. Balance of Japan-U.S. Trade

Months	(In million dollars)					
	1956	1957	1958	1959	1960	
January . . .	↑16	↑58	↑17	↑19	5	
February . . .	↑13	↑66	↑14	5		
March . . .	↑15	↑89	↑10	10		
April . . .	↑5	↑90	↑21	1		
May . . .	↑9	↑98	↑13	15		
June . . .	2	↑110	5	29		
July . . .	↑16	↑79	6	12		
August . . .	↑21	↑75	3	21		
September . . .	↑17	↑60	14	24		
October . . .	↑1	↑31	16	17		
November . . .	↑32	↑21	18	9		
December . . .	↑40	↑18	8	4		
Year's Total . . .	↑191	↑794	↑145	129		

Notes: Based on "Exchange Statistics,"  
Japan's excess of payments; others,—  
Japan's excess of receipts.

Source: Compiled by *The Oriental Economist*.

As listed in Table 4 (showing the weights of star commodities contributing to the gain of the exports to the United States in 1959), radio sets, steel products and garments were in the foremost limelight, followed by silk fabrics, veneer, toys, raw silk and woollen yarn. It should be noted that the combined hike of all the "rising" articles listed in Table 4 accounted for only 6.30% of the total gain of Japan's export trade, as the remnant gain of nearly 40.0% was made possible by the advance of sundry goods which were individually small in export scales. The Economic Planning Agency in its Monthly Economic Survey (February issue) reports that the notable increase in individual income in the United States on the spur of the swift upward turn of business, the increasing haste on the part of U.S. importers in import replenishment operations, and the redoubled sales efforts by Japanese merchants combined to enable a sharp gain in Japanese sales of sundries on the U.S. market, although the protracted steel workers strike also contributed much to swelling shipments of steel products from Japan to the United States. According to Table 5 showing the movements of cardinal import items, it is noted that the total imports of some

items record a fair increase, but the purchases from the United States dwindled, indicating that their import sources were switched from the United States to some other areas. Among such articles were wheat, corn and raw cotton as well as machinery. It is especially noteworthy that American raw cotton was replaced by the Mexican counterpart for the top place, while the decrease of barley and coal imports from the United States was larger than the dip in the total imports of these two items.

### Trade Liberalization & Japan's Industry

With Japan getting ready to liberalize imports in line with the international trend toward freer trade, possible repercussions are being watched, with concern in some circles. In this connection, a memorandum submitted to the Government and the Diet by the Tokyo Chamber of Commerce and Industry on April 15 is worthy of close note. The highlights of the memorandum are as follows:

1) Trade liberalization should be voluntarily pushed from the standpoint of helping the growth of the national economy without the impact of external pressure. Different from some advanced countries in the West, Japan still has various phases economically belated and less modernized, like agriculture and small business, and the volume of her unemployment is still sizable. Hence, special political consideration should be given so that such demerits in her industrial structure may not be aggravated through liberalization; 2) There are still many branches in agriculture, mining and other primary industries as well as heavy and chemical industries likely to be subjected to heavy blows through liberalization. Liberalization of consumer goods imports is also likely to hit some related industries in Japan heavily. In these circumstances, the tempo of trade liberalization should be properly regulated in scale and by industry in full consideration of possible repercussions. In generally, therefore, liberalization of imports should first be applied to raw and processed materials prior to finished products so that the domestic production costs may be sufficiently lowered;

3) a) In order to mitigate the unfavorable effects on domestic industries in the progress of liberalization, some protective measures should be adopted for specific sectors temporarily. To that end, the judicious application of the tariff policy and rationalization of specific industries are considered essential; b) As many Japanese enterprises are likely to be directly subjected to the wave of international competitions with the progress of

trade liberalization, necessary countermeasures should be adopted such as the curtailment of taxes for the reform of the capital composition, the shortening of durability years for mechanical equipments and the enforcement of special amortization, the physical improvement of enterprises by the establishment of the price fluctuation reserve fund system and the more orderly systematization of production and transactions, the systematic protection of small enterprises by the avoidance of excessive competitions and the modernization of equipments and technique side by side with the strengthening of managerial guidance, and other financial and technological assistances.

### Revision of Customs Tariff

The Ministry of Finance, which has been studying the revision of the customs tariff for some time, laid a provisional revision plan before the Customs Tariff Study Council on April 19. The new revision plan aims at sufficiently rationalizing the mechanism of the customs tariff system as a whole to conform with the recent transformation of the industrial and trade structures of the nation, and strengthening the functions of customs tariff to cope with the liberalization of trade and exchange. The Ministry of Finance expects the Council to pass its judgement on the revision plan during November, this year, so that the Government may submit the revision bill of the Customs Tariff Law at the next ordinary session of the National Diet. Salient points of the revision plan referred to the Customs Tariff Study Council are as follows:

1) The Problem of Classification of Goods in Import Tariff: The present Classification of Goods in Import Tariff has been left almost unchanged since it was first drafted in 1910, and carries two principal demerits, namely: a) The smallness of the number of goods listed, which prevents the effective application of adequate tariff rates to goods by kind and quality, and compels the application of uniform rates; and b) The excessive superannuation of the classification. Still classified on the present customs tariff are many articles which have been already disqualified as international commodities because of the progress of economy, and which have not been actually imported for years. On the other hand, some new products which have made their debuts on the international market due to the progress of modern technology are not listed despite bulky imports into Japan. In these circumstances, more detailed classification of the tariff list by the modern definition is wanted. In this connection, the Ministry of Finance is studying the compilation of a new cus-

### 2. U. S. in Japan's Foreign Trade

Year	Japan's Exports				Japan's Imports			
	To U.S. (\$1,000) (A)	Gains (%) <sup>*</sup>	Gains of Total Exports (%) <sup>*</sup> (B)	(A)/(B)	From U.S. (\$1,000) (A)	Gains (%) <sup>*</sup>	Gains of Total Imports (%) <sup>*</sup> (B)	(A)/(B)
1954 . . . . .	276,743	22.0	27.8	17.0	846,941	11.8	0.4	35.3
1955 . . . . .	449,256	62.3	23.4	22.3	772,279	8.8	3.0	31.3
1956 . . . . .	543,316	20.9	24.4	21.7	1,064,484	37.8	30.7	33.0
1957 . . . . .	596,584	9.8	14.3	20.9	1,617,931	52.0	32.6	37.8
1958 . . . . .	680,394	14.1	0.7	23.7	1,053,871	↑34.9	↑29.2	34.8
1959 . . . . .	1,030,645	51.5	0.2	29.8	1,112,913	5.6	18.7	30.9

\* Increase over the preceding year (↑ decrease).  
Source: Customs Statistics.

## 3. Increase of Exports to the U.S.

	Exports (\$1,000)	Increase (%)*
1958—March	54,944	15.0
April	47,788	5.8
May	51,744	14.9
June	57,087	17.2
July	60,445	3.8
August	61,404	3.9
September	57,489	5.1
October	66,687	27.8
November	60,624	17.5
December	77,803	26.8
1959—January	52,035	35.6
February	69,992	51.9
March	75,668	37.7
April	75,296	57.6
May	85,795	65.8
June	88,464	55.0
July	88,850	47.0
August	101,198	64.8
September	88,991	54.8
October	99,413	49.1
November	88,789	46.5
December	116,154	49.3
1960—January	70,166	34.8

\* Increase over the corresponding month a year ago.

Source: Customs Statistics.

Customs tariff classification based on the internationally-accepted "Brussels Customs Tariff Classification" and with specific conditions in this country taken into full consideration.

2) Fixed Tariff and Agreed Tariff: Under the existing customs tariff system, the fixed rates provided for in the Customs Tariff under the Customs Tariff Law and the agreed rate promised under GATT arrangements are jointly applied. Opinion is advanced in some sections that the fixed and agreed rates should be unified, and the Council is required to give its verdict on this point.

3) Tariff Levels: In fixing tariff rates for individual goods, the general tariff levels for each group and for all groups are required to be set as basic standards. The Japanese customs tariff rates are generally understood to be internationally low, but this stands only in the case of the comparison of the tariff revenue vs. the total imports. When the customs revenue of Japan is considered in its relation with the volume of imports with duties, the Japanese tariff rates are not necessarily lower than those in the United States or Europe, in the opinion of the Ministry of Finance.

4) Guiding Principles for Establishment of Tariff Rates: The establishment of customs tariff rates from the standpoint of protecting home-made goods, the following principles are generally upheld, although it has not been made clear what policy the Government will adopt in the proposed revision—*a*) Low rates for primary products, and raw and processed materials, with the rates made progressively higher according to the degree of processing; *b*) Low rates for producer goods and high rates for consumer goods; *c*) Higher rates for goods with the possibility of domestic production in the future, and lower rates for goods with little possibility of domestic growth; and *d*) Lower rates for living necessities and higher rates for luxuries.

5) Basic Standards for Imposition of Duties: Under the existing system, all goods are subject to the ad valorem duties with the exception of three items (including films) which are subject to the specific duties. Before the war, there were a comfortably large number of goods subject to the specific duty list, but post-war inflation has made specific duties almost meaningless, and the ad valorem system was adopted almost totally for all

import goods in the customs revision in 1951. Now that the currency value has been soundly stabilized, however, the Ministry of Finance opines that the widening of the specific duty list may be advisable. In this connection, the package application of ad valorem and specific duties to balance each other's merits and demerits is under consideration. Some of the suggestions in this context are; *a*) The combined application of both ad valorem and specific duties; *b*) With the ad valorem duties to be applied generally as a rule, the specific duties are made applicable in case the amount of duty threatens to decline below the originally-set duty size by a fixed under the former system because of the drastic drop in prices; *c*) With both ad valorem and specific duties stipulated for all articles, the higher one is made applicable case by case.

6) The adoption of Specific Systems: In order to avert any acute and immediate blow to be dealt on domestic industries through the abolition of the import controls by virtue of exchange restrictions,

some circles advocate the application of specific measures like emergency or elastic duties for strengthening import regulation functions by the manipulation of customs tariff rates. Whether the incorporation of such a specific system into the revision plan is rational is questioned in some sectors. In any way, some of the measures proposed in this respect are as follows: *a*) Emergency Duty—The Government is to be authorized to take proper counter-measures (such as the abolition of the beneficial duty under Article 19 of GATT, or the elevation of the fixed duty) in case domestic industries have been subjected to serious blows by the excessive imports of some specific commodities; *b*) Elastic Duty—The Government is authorized to revise the customs tariff rates within certain limits and under certain conditions; and *c*) Quota Rate System—With a certain import quota fixed for a designated article within a set period, an ordinary duty is imposed on the article up to the quota, and a higher duty is applied to the import in excess of the quota. This is a kind of dual duty.

4. Major Exports Goods to the U.S.  
(In million yen)

Products	Exports to U.S.		Gains (%)	In Total Gains (%)	U.S. Weight Exports (%)
	1958	1959			
Fish & Shellfish (a)	10,221	10,523	311	3.1	0.2
Fish & Shellfish (b)	11,962	15,075	3,113	26.0	2.5
Canned Mandarine	976	1,588	112	11.5	0.1
Wood Items*	2,835	3,933	1,098	38.7	0.9
Raw Silk	4,785	8,427	3,642	76.1	2.9
Fish Oil**	2,146	664	↑1,482	↑69.1	—
Veneer	15,150	19,638	4,488	29.6	3.6
Woollen Yarn	1,025	1,760	735	71.7	0.6
Cotton Fabrics	7,766	7,785	19	0.2	0.0
Silk Fabrics	9,174	14,830	5,656	61.8	4.5
Woollen Fabrics	5,102	8,685	3,583	70.2	2.8
Rayon Fil. Fabrics	198	487	289	146.0	0.2
Spun Rayon Fabrics	718	1,614	896	124.8	0.7
Glass Products	1,375	1,596	221	16.1	0.2
Chinaware	9,418	12,399	2,981	31.7	2.4
Pearls	3,726	4,728	1,002	26.9	0.8
Steel Products	12,387	26,815	14,428	116.5	11.4
Copper Products***	1,573	1,370	↑203	↑12.9	—
Sewing Machines	8,426	9,950	1,524	18.1	1.2
Radio Sets	6,444	22,461	16,017	248.6	12.7
Optical Goods	8,223	9,791	1,568	19.1	1.2
Garments	26,777	40,201	13,424	50.1	10.6
Cotton Blouses	3,022	3,117	95	3.1	0.1
Gloves	3,599	5,434	1,835	51.0	1.5
Shawls, Mufflers	4,355	5,811	1,456	33.4	1.2
Toys	12,822	16,698	3,876	30.2	3.1
Total (including other items)	244,995	371,086	126,091	51.5	100.0

Notes: (a) not including canned items; (b) canned items; \* including woodwork and sleepers;

\*\* including whale oil; \*\*\* including brass items; ↑ Decreases; others increases.

Source: Customs Statistics.

## 5. Cardinal Imports from the U.S.

Products	Imports from U.S.		Gains (%)	In Total Gains (%)	U.S. Weight Exports (%)
	1958	1959			
Wheat	27,020	20,863	↑6,157	↑22.8	4.2
Barley	8,724	2,683	↑6,041	↑69.3	26.3
Corn	7,507	7,164	↑343	4.6	35.5
Hide	5,566	6,043	477	8.6	54.0
Soybean	27,821	32,466	4,645	17.0	6.0
Oil Seeds	1,305	3,669	2,364	181.2	55.4
Lumber	4,031	7,074	3,043	75.5	52.7
Pulp	2,540	3,600	1,160	45.7	14.6
Cotton	46,073	28,135	↑17,938	↑38.9	0.2
Cotton Waste	3,153	795	↑2,358	↑74.8	↑36.6
Phosphate Rock	6,039	5,784	255	4.2	4.6
Salt	367	508	141	38.4	13.6
Iron Ore	4,013	3,164	↑849	↑21.2	18.6
Scrap Steel	13,967	39,372	25,405	181.9	205.8
Coal	26,452	24,089	↑3,363	↑12.7	↑8.4
Crude Oil	2,231	3,145	914	41.0	15.9
Fuel Oil*	584	1,201	617	105.7	12.3
Heavy Oil	14,582	13,138	↑1,444	9.9	13.7
Beef Tallow	7,239	7,888	649	9.0	10.5
Synthetic Dyes	453	717	264	58.3	34.6
Potash Fertilizer	3,165	3,439	274	8.7	6.2
Machinery	87,775	84,743	↑3,032	↑3.5	3.1
Business & Calculat. Machines	6,006	9,984	2,978	49.6	64.3
Metal Process. Machines	15,633	11,850	↑3,783	↑24.2	↑18.4
Total (including other items)	379,401	400,533	21,132	5.6	18.7

Notes: ↑ decreases; others increases. \* Exclusive of heavy oil.

Source: Customs Statistics.

# INVITATION TO OSAKA

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4TH OSAKA INTERNATIONAL TRADE FAIR (1960)

THE COMMERCE & INDUSTRY DEPARTMENT,  
OSAKA PREFECTURAL GOVERNMENT

Otemae-cho, Higashi-ku, Osaka, Japan

CATALOGUE  
160  
NUMBER

## Labor

**Miike Mine Struggle Nearing End:**—March 17 will go down in Japan's labor history forever, for it was on that day that Miike Coal Miners Union—long supposed to be the strongest labor union in the whole of Japan—crumbled and gave birth to a second union. Nobody expected a union split at such an early date. Immediately after its establishment, the second union approached the management for new negotiations on labor contracts and the starting of production activities. In answer to this second union demand, the management immediately opened a collective bargaining with the former and decided to lift the lockout ban for the second unionists and readied itself for production. The number of second unionists as of April 1 was reported by the management to stand at 5,119 (as compared with about 8,000 in the first union).

The Coal Miners Union, which had earlier issued orders for its members to strike in support of the Miike miners, had to call off the directives when *Sankoren* (Federation of Mitsui Mining Co. Labor Unions) refused to obey. On March 27, the Union finally asked Central Labor Relations Board Chairman Keizo Fujibayashi for mediation. On the following day, the forced entry into the Miike mines by second unionists through the first unionists' picket-lines resulted in bloody scuffles in which over 100 miners in both unions were injured, some seriously. With blood spilled, both of the unions are now arch-enemies in the most serious sense of the word.

What makes the first unionists so stubborn, then? One of the most important reasons is that, among 1,200 workers picked by the management for discharge, there are included some 300 "active" union workers. In labor's line of thinking, if the workers are to be discharged simply because of their union activities, there would finally be no one who would take on the union jobs and this will constitute a major obstacle in Japan's union movement. For the management, however, these 300 "active" union workers constitute nothing but flies in the pie. Unless these 300 saboteurs are removed, the management reasons, there would be no re-construction of the company. There seems to be little ground for reconciliation between these two extreme views.

**Fujibayashi Mediation Plan & Coal Miners Meeting:**—The mediation plan

by Chairman Keizo Fujibayashi (who replaced the former Chairman Ichiro Nakayama) of the Central Labor Relations Board was handed both union and management at the dawn of April 6. The highlights of this mediation plan were; 1) that the management should call off the discharge notification of December 10, 1959 to 1,200 workers; 2) that these 1,200 workers, however, should leave the company in the form of voluntary retirement; and 3) that ¥10,000 a head allowance should be added to the severance pay.

As of this writing, the management had already accepted the mediation plan, while the labor's formal reply is going to be decided in the Coal Miners Meeting currently in session from April 8.

In the pre-meeting discussions of the Union's Central Struggle Committee, however, no definite agreement was reached as to how the Union should deport itself in front of the mediation plan. The Coal Miners Union is now finding itself in the worst mess of its post-war life. If it should accept the Fujibayashi plan, which in reality recognizes the necessity of discharges by name, the union's hitherto firm attitude against the management's so-called rationalization programs would crumble and the union would then be in no position to fight an effective war against the impending 110,000 personnel cut in the coal industry. Moreover, the Miike Miners Union would never agree to the acceptance. If, however, the Union refuses to accept the mediation plan, it will risk the danger of *Sankoren*'s (Federation of Mitsui Coal Mine Workers Unions) bolting the union, for the latter is determined to accept it. In this dilemma, the attitude of the Central Struggle Committee wavered from one extreme to another. At the present writing, however, the Committee is leaning toward the acceptance of the mediation plan on the ground that it is an absolute necessity for the maintenance of the union solidarity.

However, the final outcome is still anybody's guess at this writing. From the dawn of Japan's labor history, Coal Miners Union has been one of the most powerful and most energetic ringleaders. If the Coal Miners Union should falter at this stage with *Sankoren* bolting the union, it will constitute a stunning blow not only to the union itself but to the whole of Japan's labor unions. With the ghost of "revolution in world's energy"

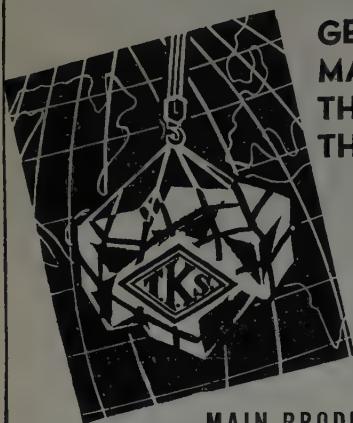
looming large on the horizon, the future of Coal Miners Union seems to be not exactly a rosy path.

**Dispute Ends for Metro Transportation:**—One of the most representative, long-winded strikes in small and medium-sized enterprises, the dispute at the Metro Transportation Co. in Tokyo finally came to a close on March 19 after 378 long days.

The dispute originally started with the union's demand for ¥7,000 a month pay hike—the first pay hike in four long years. The dispute involved a variety of "colorful" events including the 80-car caravan trek by labor from Tokyo to Osaka, where the Metro's parent-company—Keihanshin Electric Railway has its main office, and the "violent" lockout of the company premises by the management. Although the amount of the pay hike was soon agreed upon by both sides at ¥3,600 a month, the management demanded a purge of 9 ringleaders who led the caravan trek to Osaka. Despite the negotiations by the parent organizations of both management and labor in which a tacit agreement was reached that the labor would recognize the discharge of 4 top labor executives and that the management would call off the discharge of the remaining five, the Metro Union itself would not readily consent to the agreement maintaining that it could not stomach even one personnel cut in a "right" strike. Thus, the negotiations between the management and labor were deeply bogged down.

In March, this year, the management finally proposed to take a "special consideration" of the five leaders on the discharge list, although the discharge plan would not be formally called off, and further to increase to total amount of "back to work" allowances from the original ¥10 million to ¥20 million. This apparently satisfied the union and the normalcy finally returned to the strike-torn taxi company. One of the remarkable features of this strike is the fact that, despite its marathon length, no second union—almost an inevitable development in long-winded labor disputes in Japan—was formed.

## TEKKOSHA'S PRODUCTS



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Caustic Soda, Metallic Sodium, Sodium Peroxide, Sodium Cyanide, Sodium Methylate, Chloroform, Methylene Chloride, Inorganic Chlorides and Chlorine Compounds, Vinyl Chloride & Polymers, Acetic Acid, Ethyl Acetate, Electrolytic Manganese Dioxide.

## Fertilizer Department:

Calcium Cyanamide, Compound Fertilizer, Fused Magnesium Phosphate.

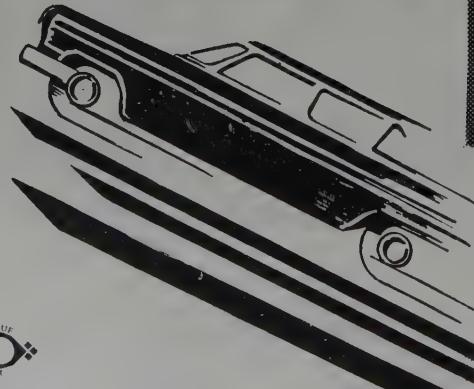
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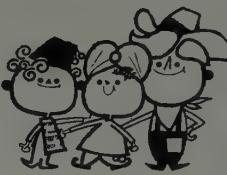
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## Kaleidoscope

**Equipment Investment for 1960:**—The Ministry of International Trade & Industry has recently carried out a detailed survey of 1,500 major companies for their equipment investment achievements in the fiscal 1959 and plans for the fiscal 1960. According to this survey, the total investment plan for the fiscal 1960 would amount to ¥1,245,000~1,247,000 million—about 37% more than the 1959 achievements of ¥913,000 million. Industries expecting a large-scale equipment investment growth include petrochemicals, automobiles, oil refining, paper-pulp, electric communication apparatus, cement and electricity. Major reasons for the large-scale expansion are: 1) to prepare for demand increases due to rapid growth of economy; 2) to speed up the rationalization measures in order to effectively meet the impending liberalization of trade. Equipment investment plans by industries follow (in ¥100 million):

Industries	1960 Plan	1959 Achievements (Estimates)
Electricity	2,850	2,520
Coal	320~330	270
Iron-Steel	2,000	1,600
Oil Refinery	600~610	370
Petrochemicals	820	320
Ammo. Sulphate	220	170
Synthetic Fibers	310	280
Automobiles	580	300
El. Machinery	440	320
El. Communications Apparatus	370	280
Paper-Pulp	550	390
Cement	290	210
Total of the Above	9,350~9,370	7,030
Other Industries	3,100	2,100
Grand Total	12,450~12,470	9,130

**Better Life for both Urban & Rural Households:**—Economic Planning Agency carried out a survey of 4,134 urban households in 28 cities and 2,170 farm households in 15 prefectures as of February. The highlights of this survey follow: 1) In urban households, 34.7% (34.0% in the previous year) replied that their income would grow in the current year; 48.8% (48.1%) replied that there would be no change and 5.1% (6.3%) replied their income would decline. The number of those who predicted income growth advanced most conspicuously in laborers' households, followed by commercial households. White collar workers reported no changes, while business executives and those who are in "free" professions predicted declines. Better life was predicted, on the other hand, by 28.1% (28.2% in the previous year) of those surveyed, while 55.3% (54.5%) predicted no changes. On the other hand, 11.8% (12.9%) predicted gloomier future. 2) In the farm households, 35.9% (30.7% in the previous year) expected their cash income to swell, while 50.6% (51.0%) saw no reasons for increases. The percentage of those who predicted smaller income declined from 12.7% to 8.4% in the current survey. Better life was predicted by 27.4%, while 50.3% saw no possible changes. And the remaining 18.7% expected their living standard to decline.

**Development of North Sumatra Oil:**—Japan and Indonesia inked the contract on April 7 for the former's participation in the oil field development plan in northern Sumatra. Although the tentative agreement was reached as early as September, 1959 between Indonesia's government-owned Permina Oil Co. and Japan's financial group headed by Ataru Kobayashi—former governor of the Development Bank, the actual signing was delayed 9 long months due to a variety of knotty problems. Japanese side is scheduled to send a group of technicians to the oil site late in April for the formulation of the development plans for the initial and second years of exploitation. The actual development will start in the coming autumn. The establishment of a new company (¥1,000 million authorized capital; ¥500 million paid-up capital) devoted to the development of this oil field is scheduled to be effected in the coming June at the latest. The highlights of the contract, are understood to be as follows: 1) Japan will throw in the total of ¥18.8 billion in 10 years as loans in the form of capital goods and techniques; 2) 40% of the oil produced by the Japanese aid will be set aside for repayment to Japan. The production aim of this new development plan is 1,700,000 tons (inclusive of the present annual amount of 700,000 tons) for the second year of development; 2,000,000 tons for the third and 2,500,000 tons for fourth and each

consecutive year. The contract binds the Permina Oil to pay up the Japanese investment in the form of crude oil even if the new development ends up in a failure. Cheaper of the two prices—the current international price or the price of the Permina oil to Japan—will be applied in this case.

**U. S. Aid to Home Production of Lockheed:**—The Governments of Japan and the United States exchanged formal notes on April 15 about the home production of Lockheed F104 fighters, thus finalizing the long impending problem between the two countries. The highlights of the formal agreement are: 1) Japan would produce 180 F104J fighters and 20 F104DJ fighters; 2) U. S. would make an outlay of \$75 million for the production through the MSA agreements. The Japanese Government has already set aside ¥69,000 million in the form of authorization contract in the 1960 fiscal budget. The percentages of the Japanese side and the American side stand roughly at 72% and 28%.

**Importation Quota of Foreign Movies:**—Ministry of Finance announced on April 13 that Japan is going to import during the fiscal 1960 the total of 400 foreign movies, of which 193 are features including feature-length documentaries and 208 are news reels. Both figures represent the same level as in the previous fiscal year. Beside this quota of importation, however, the companies which prove especially active in exporting Japanese movies will be permitted to import about 30 additional "bonus" pictures.

**Machinery Industry White Paper:**—The Ministry of International Trade & Industry published on April 16 its white paper on Japan's machinery industry—the first of its kind in Japan. According to the white paper, the rapidly expanding machinery industry actually increased its production by as much as 12 times over the 1935 figure and three times the 1955 achievement. Now, machinery industry accounts for more than 30% of the total production of manufacturing industries. However, the number of personnel and the amount of sales per enterprise are considerably lower at from one-thirds to one-sevenths of the European and American counterparts. In Japan, as much as 88% of the total machinery makers are either small or medium-sized enterprises having less than 50 workers in all. Big enterprises having more than 1,000 employees account for some 56% of the total added value in the machinery industry, followed by smaller enterprises having 10 to 50 employees which account for 11% and which are supposed to be the subsidiary companies of the bigger enterprises. Differences in productivity in big and small enterprises is still enormous with the productivity in bigger enterprises (with more than 1,000 employees) standing at as high as three times that in the smaller enterprises having less than 9 employees. No such great differences are seen in the western countries. Great gaps in the wages and salaries of bigger and smaller industries are another of the Japanese characteristics. The salary in the small enterprise having less than 3 employees stands as low as at one-half of the amount paid in bigger enterprises having more than 1,000 employees. The average per hour pay is only one-eighths of that in the U. S. and one-thirds of that in Germany. The rate of own capital in Japan stands at 30% as against 54% in the U. S. The net profit against the total used capital, on the other hand, stands at 3 to 5% in Japan as compared with 6 to 9% in the U. S. As much as 54% of Japan's machinery are low-grade ones produced hastily during the hectic days of war and have been in use for more than 15 long years. By types of machinery, there is a great lack in high-efficiency broaching machines, boring machines and gear cutting machines. Moreover, because of the lack in pressing machines, mass production system is greatly hampered. Although machinery accounts for 20% of Japan's total exports, the figure is still only one-tenth of the U. S. and one-sixth of either West Germany or England. In Japan's total import, on the other hand, machinery accounts for 8%. In order to expand the machinery exports, further efforts should be directed in the economic cooperation in the underdeveloped countries and relaxation of restrictions on delayed payments. As for imports, such measures as the gradual lowering of tariffs and official discount rates are necessary.

Glimpses of Japanese Culture**EMAKIMONO - Picture Scrolls of Japan**

By Hideo Okudaira

**What Are Emakimono?**

*Emakimono* are picture scrolls depicting the origin of, or anecdotes about, Japan's early and medieval novels, narratives, biographies or histories of shrines and temples. These scrolls are made of several—sometimes scores of—ordinary size papers (silk also is used, but rarely) pasted together lengthwise, with a cover attached to the right end and a round pole to the left end. The scrolls are then rolled around the poles. They are mostly from 9 to 12 meters long and 30 to 40 centimeters wide. Some, however, are as long as 24 meters. Usually, one, two or three of these scrolls make up a set. Some sets, however, consist of 10, 20 or even 48 scrolls. From the innate form of the scroll, the pictures on the lengthy paper tend to sprawl horizontally and look somewhat stunted vertically.

Due to this special feature of *emakimono*, the viewer should approach them with a special attitude—different from that applied to viewing ordinary pictures—to fully appreciate the art in the picture scrolls. Technically, the viewer sits at a desk and unrolls the scroll with his left hand, while using his right hand to reroll it. In complete synchronization with this unrolling and rerolling operation, the viewer follows the picture story with his eyes from right to left. One of the most important secrets in *emakimono* appreciation, is to operate the work with your own hands, taking enough time for its apprehension.

Since the picture scroll has so much space lengthwise, it is only natural that a new method of expression was devised. The artist could easily unfold a long story, ranging many years in time and many miles in space, simply by taking advantage of this ample lengthwise space. In structure, therefore, the picture scroll is very similar to present-day motion pictures, and could be termed "a motion picture in the palm of your hand." The themes and motifs of *emakimono* are mostly narratives of human affairs, as these are best suited to the structural requirements of the picture scrolls. The great majority of Japanese picture scrolls can be grouped in this category, with only a few exceptions.

***Emakimono* Works Explained**

There are about 120 sets (around 600 scrolls) of *emakimono* still extant in Japan. The number of *emakimono* which, though lost, are recorded on documents reaches 100 sets or 400 scrolls (counting only those scrolls actually recorded). From these figures, it is apparent that a considerable number of picture scrolls were produced in their heyday.

*Emakimono* are usually divided into two major categories—one smacking strongly of their religious origin, and the other aimed more at artistic appreciation. The religious scrolls were naturally made for theological purposes, and the majority of works in this category are based on Buddhism. Their subject matters range over a wide area including picture explanations of Buddhist sutras, anecdotes about the origins of temples and shrines, stories of the magic powers of the gods and Buddhist images enshrined in these houses of devotion, and the biographies of high priests and others who did great devotional works.



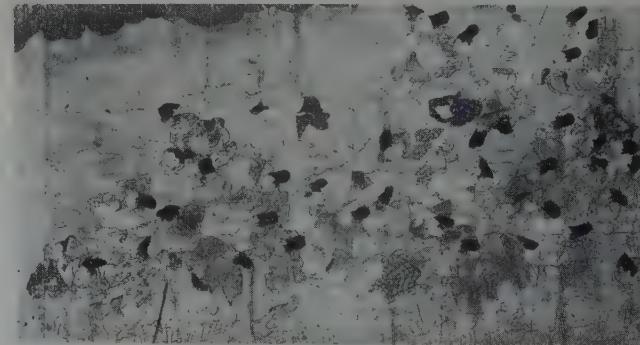
What Emakimono Looks Like: "Heiji Monogatari (Story of Heiji)"

Scrolls for artistic appreciation, on the other hand, are free from heavy religious connotations, much more literary and down-to-earth in nature, and told in narrative form. Some are based on romantic tales about the dazzling court life of the time, while others are based on strange occurrences or grotesque true stories. Still others rely on history's famous battles for their subject matter, while the lives of poets or the manners and customs of the time were also used as subjects.

Although extremely varied in subject matter, the majority of *emakimono* are literary in nature. It is true that there are some which merely depict the manners and customs or show portraits of personalities or animals, without any concrete stories, but most are concerned with human activities—their comedies, tragedies, loves, struggles, devotion, miracles and strange adventures. Thus, *emakimono* are somewhat like mirrors of the range of human feelings and activities.

In passing, the writer would like to add that *emakimono* contain not only pictures, but also the textual explanations of the pictures. The scrolls, therefore, are harmonious combinations of pictures and writing, although in very rare cases the drawings are not accompanied by texts.

There are many different manners of combining the pictures and their texts. The most usual one, however, is that in which pictures and their texts alternate with one another, with each text coming before the picture it explains. When you unroll these scrolls, therefore, you first come upon a text, and then the picture, this order continuing throughout to the end. Another type of scroll takes the form of illustrations coming separately one after the other, punctuated by their texts, while yet another type has a continuous picture running unbroken from scene to scene. It is in this latter form that the special features of the picture scroll triumph most magnificently.



Part of "Stories of Minister Ban Dainagon"

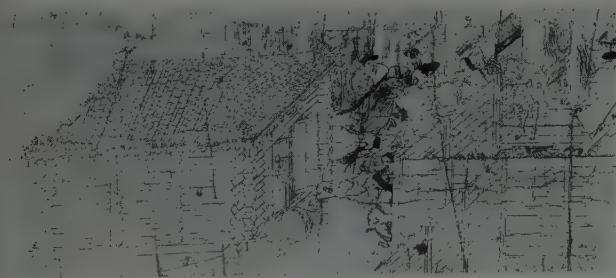


Part of "Tales of Genji in Pictures"

### Origin and Development of *Emakimono*

Now let us turn to how the Japanese picture scrolls came about, and to their historical development. Although it is known that the origin of Japanese picture scrolls lies in their Chinese counterparts, the exact date of importation and the contents of such scrolls are still a mystery. The most likely guess is that these scrolls, mostly religious in nature, were brought over to Japan after the 6th century along with the Buddhism. The oldest picture scroll painted by a Japanese artist is thought to be the *Einga-Kyo* (Pictured Sutra of Past and Present Karma)—a pictorial explanation of a Buddhist sutra—done in the Nara Period (8th century). This scroll consists of pictures in the upper part and the text explanations in the lower part. Judging from its form and contents, it is definitely based on the Chinese originals.

Thus, it is a proven fact that *emakimono* are a very early product of Japanese culture. However, it is in the middle part of the Heian Period (10th and 11th centuries) that truly Japanese picture scrolls began to be created. In this period, Japan finally achieved cultural independence from China and began to produce a culture of her own. As this period was the time when Japan's nobility was in its prime, the culture of those days was heavily tinted with an aristocratic flavor. It was also in this period that truly Japanese narrative stories spread like a tidal wave. Thus, the picture scrolls of this period are literary and romantic in nature, and mostly dealt with the flowery court life, being full of patrician ideas and modes of life. In line with this switchover in subject matter from a religious to a noble nature, the pictures themselves tended to become more gentle and graceful, and the so-called *Yamato-e* style of painting ensued. Thus, in the latter part of the Heian Period (12th century), such masterpieces as *Genji Monogatari Emaki* (Scroll of Tales of Genji),



Part of "Stories of Shigisan"

*Shigisan Engi* (Stories of Shigisan), *Bandainagon Ekotoba* (Stories of Minister Bandainagon), and *Choju-Giga* (Animal Scrolls) were created.

These four scrolls are especially notable for their different methods and expression, each forming a style of its own. For example, *Genji Monogatari Emaki* is based on one of the greatest Japanese novels—*Genji Monogatari* (Tales of Genji)—and makes use of rich colors to capture romantic stories of Heian court life. *Shigisan Engi*, on the other hand, utilizes, to the utmost, the line drawings suited for depicting action stories to tell strange tales about a priest and his elder sister,

The stories are in such a flowing style that the viewer is reminded of a motion picture. *Bandainagon Ekotoba* can be said to rank in between the above-mentioned apposing forms of expression, and deals with historical events of the court aristocrats. Although these three scrolls make use of line drawings and colors, *Choju-Giga* relies solely on monochrome ink lines for expression, and depicts a variety of the antics of birds and animals in quite a humorous way.

These four works are the classic masterpieces of *emakimono* and had a great deal of influence on the picture scrolls of succeeding periods. In this sense, the 12th century could easily be called the golden age of *emakimono*.

However, it is in the Kamakura Period (13-14th centuries), which followed the Heian Period, when *emakimono* really became the fashion of the day, with their themes and motifs becoming extremely variegated. Some dealt with literature or narratives, while others took to battles or sutras for their inspiration. Still others probed into the origin of various shrines and temples. Biographies of famous priests also became common subjects for *emakimono*.

Thus, the content of the scrolls, both religious and artistic in nature, became increasingly rich with personalities hitherto not depicted appearing one after another. These ranged from warriors, farmers, fishermen, artisans, prostitutes and beggars. Moreover, the manners and customs of China and Korea also made their appearance in scrolls of this period. The setting for the stories, which hitherto was confined to court life, gradually spread to towns, villages and mountain districts, with their local color increasingly highlighted.



Part of "Animal Scrolls"

In line with these changes in the contents of the stories, new techniques in painting were experimented with one after another, and the prototypes of the so-called *Yamato-e* pictures gradually began to take form. Thus, the cult of *emakimono* spread during this period like a fire in a matchbox.

This popularity of picture scrolls, however, suffered a downgrading in the succeeding Muromachi Period (15-16th centuries) when painting techniques became stereotyped and rigid, while the themes and motifs of the scrolls themselves became generally more conventional. To make matters even worse for the *Yamato-e* pictures, the *Sung* and *Yuan* schools of painting of China made a triumphant entry into Japan and soon became the fashion of the day. Because of this shift in the public taste, the *Yamato-e* school was increasingly put on the defensive, and *emakimono* which consisted of these pictures fell out of the public fancy.

This, then, is the outline of the history of Japan's picture scrolls, which ranges in time through seven centuries. The number of *emakimono* produced during this time amounts to a sizeable figure, and occupies a large part of Japan's art history. From their contents, we are able to learn the manners and customs of the medieval Japan, and at the same time, we can make a close scrutiny of the *Yamato-e* style—the classical style of Japanese painting. Masterpieces of *emakimono* take full advantage of their unique art form, fully depicting the life of our early ancestors, and are worthy of the nickname of "motion pictures in the palm of your hand". *Emakimono* are an indispensable treasure of Japanese culture. (The writer, a noted art critic, is presently serving with the National Museum, Tokyo.)

Industry

## Free Trade & Key Industries

### Free Imports to Stimulate Competition

The liberalization of international trade certainly will bring about far-reaching repercussions in all sorts of industry. Reasons are twofold:

1) The restrictions upon production, which have thus far been imposed upon various industries indirectly through the restraints on material imports under the foreign funds allocation (FA) system, will be abolished once for all if imports are set free. In the case of finished products, therefore, Japanese goods will have to compete with foreign products even on the domestic market.

2) Free material imports will lead to the boost of production, which in turn will intensify a sales competition among makers. The price system, formed under the FA system, will collapse like a box of cards, so the difference between domestic and international prices will get narrower. If the competition gets hotter, it is feared that the local price level will sag below the world standard. In the case of finished products, the evil effects of the cut-throat rivalry will get all the more conspicuous.

Considerably affected by the free trade policy will be such key industries as textile, coal, petroleum, steel, shipbuilding and shipping as explained in the following. But many other lines cannot remain impervious to the impact of free trade.

In the paper-pulp industry, for instance, the liberalization of trade appears to be a difficult proposition, for a friction of interest exists between rayon makers anxious to use cheap foreign pulp and pulp interests strongly opposed to the free imports of rayon pulp. This problem cannot be brought to a smooth solution, because rayon companies find it urgently necessary to cut off their production costs and thereby to bolster competitive power against cotton and wool goods, the prices of which will go down after the liberalization of trade.

As for soda ash and caustic soda, it will be more profitable for Japan to import them from abroad than to purchase industrial salt from distant sources for soda production at home. It is feared, therefore, that the soda industry will be plunged into a pretty fix. So leading soda companies are trying hard to lower their break-even point through multilateral operations.

Free imports of sugar, though desirable from the standpoint of consumers, contradict the Government's policy of promoting the beet sugar industry.

Though local prices are lower than abroad for chlorine, polyvinyl chloride and calcium carbide, there are many industrial chemicals the prices of which are higher here than the international standard. As for pharmaceuticals, too, material cost here is much higher than in some foreign countries, but free trade will bring about to serious bearings on the industry, for leading corporations are technically cooperating with influential pharmaceutical interests abroad.

Non-ferrous metal smelters will inevitably be affected

more or less by free trade because domestic ores are inferior in most cases. If foreign producers slash their export prices, Japanese refiners will be forced to reduce their production costs by all means.

As for machine-tools, bearings, automobiles, cameras and time-pieces, there is no need of serious apprehension. It must be noted, however, that Japanese makers are all smaller in scale than foreign interests, that their plants and equipment are technically less advanced and less efficient, and that they are using relatively higher-priced materials. After all, nothing appears to be more essential for them to step up the replacement and rationalization of equipment.

It may be concluded, however, that after a while these industries will all be able to cope with the liberalization of trade unless foreign countries dare to export their products at less-than-cost prices. But there is every fear that, though Japan liberalizes imports, her exports will be subject in some way or other to various import restrictions, higher duties and political discriminations in many foreign countries. Nothing is more regrettable this under the free trade situation. It is sincerely hoped that all the countries in the world will combine efforts for freer trade through wholehearted talks, respecting one another's stand and policy.

### Cotton & Wool Spinning

In so far as the textile industry is concerned, free trade will intensify not so much the competition with foreign interests as the rivalry among local spinners themselves for greater output and cheaper sales. For textile production has so far been kept on a relatively low level through the restriction on cotton and wool imports and the curtailment of equipment operation.

In this light, interested circles have long been studying how to counteract the liberalization of import trade. Kureha Spinning, Daiwa Boseki and Nitto Boseki, for instance, have set up their own special committees for working out a series of practical countermeasures. Some other firms have been undertaking joint researches with banks and trade houses, and still others have been mapping out their own programs for stronger foundation and long-term planning. Among various steps under way or contemplation, the most important appears to be price stability plus cost cutting for better sales.

Along this line, leading textile companies have recently begun to take concrete measures. For example, Toyobo Spinning has been holding a series of "Toyobo Products Exhibitions" in Tokyo, Osaka, Nagoya and other cities all over the country since January, 1960. Dai Nippon Spinning has started an intensive market research and a drastic reshuffling of its own network of sales agencies. Minor spinners are trying to make closer than ever their ties with banks and traders.

If material imports are set free, both cotton and wo

will be acquired cheaper. It is feared, on the other hand, that selling prices will go off also for finished products, and that the effects of the business cycle will be brought about more acutely than ever. Thus, spinners find it necessary to strengthen their power of resistance by cost reduction.

For this purpose, leading spinning companies are vigorously striving for reorganization of business lines, scrapping or replacement of obsolete equipment, elevation of efficiency through closing of inefficient plants and concentration of production, closer grouping of weavers and processors under their wings, and many other steps for rationalization. Each of them is pushing those measures indigenous or suitable to their own plants and organizations, much different from those put into practice by others. For instance, one firm is preparing for partial re-opening of its weaving and processing plant closed in 1958, while on the other hand another wool spinner is planning to separate the weaving department from its main business.

One of the most salient developments is the stronger control of minor interests by leading companies. Dai Nippon Spinning is intending to create a production encouragement system for control of weavers under its orbit, effective from April, 1960. Nitto Spinning has bought about 90% of Chuo Spinning shares (capitalized at ¥300 million with 44,000 spindles).

Fuji Spinning and Nitto Spinning have entered into the field of synthetic textiles. Japan Wool Textile has consolidated its ties with Teikoku Rayon, and Kureha

Spinning with Toyo Rayon. All these moves are designed to strengthen their business foundation and constitution.

Then, the textile industry as a whole is jointly stepping up a number of measures. In February, 1960, the Co-operation Association for Stabilization of Spinning Industry was organized. It is a joint organ for mutual aid, composed of the big 10 cotton spinners and many other interests, and the stabilization funds paid by member firms are to be used for order and stability of the cotton spinning industry.

Such autonomous measures by interests concerned, however, vigorously implemented individually or jointly, will not be sufficient enough to forestall the possible impact of free trade. Both cotton and wool spinners, therefore, expect a good deal of the Government's adequate policy: namely, proper revision of the Anti-Monopoly Law, the Export & Import Transactions Law (something like a substitute for the export-import link) and the Textile Equipment Adjustment Provisional Measures Law.

The amendment of the former two laws is easy to speak of but difficult to accomplish. Thus, campaigns now are concentrated on the tinkering of the last named law. The Ministry of International Trade & Industry has reportedly decided to submit a revision bill to the current Diet session, providing for:

1) The goal of provisional measures for new installation of equipment and disposal of over-equipment shall be 1965 instead of 1962.

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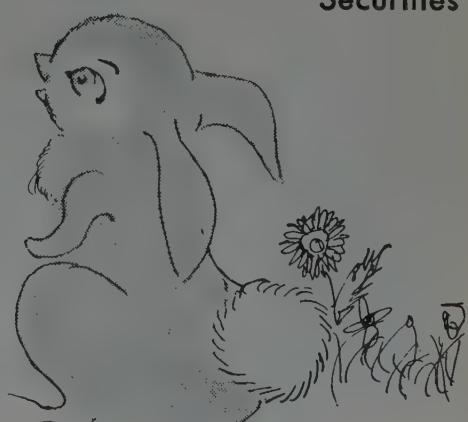
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2) Outsiders shall also fall under the purview of the revised law.

3) Penal provisions shall be strengthened (suspension of business against violators, etc.)

4) The law shall be in force up to 1965.

Leaders of the industry, however, put particular emphasis upon autonomous adjustment. President I. Muto of Kanegafuchi Spinning, for instance, declares, "However adequately laws may be revised and enforced, I am not sure we can expect much of them. Whether or not we can survive the impact of free trade is much dependent upon our own autonomous cooperation and adjustment." President T. Taniguchi of Toyo Spinning says, "It depends upon the economic morale of us, businessmen, whether or not industrial circles will be thrown into confusion as the result of free trade."

### Man-Made Fibres

As for rayon goods, there will be almost no impact of freer trade because prices here are much lower than in some other rayon making countries, unless foreign makers resort to dumping operations.

The same will be the case with vinylon and Tevylon developed in this country and made very cheap on a substantial scale. In the case of nylon, the local prices now stand almost on the international level, though somewhat higher according to grades, and Japanese makers are technically cooperating with foreign interests: namely, Toyo Rayon with Du Pont (USA) and Nippon Rayon with Inventa (Switzerland), so there is no fear that they will be involved in a severe international competition. Tectoron is also being made through technical tieups between Toyo Rayon and Teikoku Rayon, on the one hand, and, on the other, I.C.I. (UK), and its price is almost the same as in England. Acrylnitrile textile, too, is not much higher in price than abroad.

Generally speaking, man-made fibres have been replacing natural textiles in many applications, and rivalry between them is something inevitable. Due to the remarkable progress in high polymer science and petrochemistry, new synthetic textiles have aggressively encroached upon the market for natural textiles. It must be noted, however, that the textile prices in Japan are still based upon the cotton quotations. In the case of rayon staple and vinylon used widely as cotton substitutes, prices greatly depend upon the cotton market. Acrylnitrile and Tectoron quotations are, so to speak, under the leadership of the wool market.

Such being the circumstances, free trade is likely to bring about an indirect pressure upon man-made fibre quotations, for freer cotton and wool imports will lead to greater production of natural textile goods and the subsequent price fall. In other words, man-made fibres will be confronted with a hotter competition not so much from foreign products of the same categories as from cotton and wool goods made at home. Thus, interested circles are calling for revision of the Textile Equipment Adjustment Provisional Measures Law as is the case with cotton and wool spinners and exerting efforts for lower cost and better quality through rationalization.

Rayon makers strongly advocate that pulp as well as

cotton and wool be imported freely, and that prices be cut off for caustic soda, sulphur and other chemicals as well. As for vinylon, a successful attempt is being made to use petrochemicals, instead of calcium carbide, as material. And it is hoped that prices will similarly be slashed for benzole and methanol in the case of nylon, for naphthalene in the case of Tectoron and for acryl monomer in the case of acrylnitrile textile.

On the ground of very rapid technical progress in synthetic textiles, a voice is getting louder for a shorter depreciation of equipment, a tax reduction and financial facilities.

Weaving cost here is lower than abroad. But our dyeing and printing techniques are backward and our designs are not good, so utmost efforts must be lavished for their improvement. Besides, there are some kinds of synthetic textiles still on the stage of research and tentative manufacture and not yet made on an industrial scale. They are 66 type nylon (only 6 type nylon made at present), tri-acetate (only di-acetate produced now) and polypropylene. If these are freely imported, any attempt for local production will be nipped in the bud. It will be necessary to postpone the date of liberalization for these items or to take some protectionist steps.

As for individual corporations, nothing is more urgent than to foster real strength and to consolidate business foundation. Thus, all of them are trying hard to adopt new techniques and to diversify business lines. Toyo Rayon, for instance, has expanded its equipment for nylon and Tectoron, developed non-textile uses of these textiles, and undertaken projects for polyethylene and polypropylene textiles. Asahi Chemical Industry has worked out an ambitious program for reorganization into an overall chemical concern. Teikoku Rayon is striving for acrylnitrile textile as well as acetate, Tevylon and Tectoron; Kurashiki Rayon, for greater output of vinylon; Nippon Rayon, for bigger capacity of nylon; Mitsubishi Rayon, for vinylon and polypropylene as well as acetate and acrylnitrile; and Toho Rayon, for cotton-rayon spinning (through absorption of Wakabayashi Spinning) and acrylnitrile textile.

Anti-liberalization measures, after all, are featured by equipment rationalization, business multiplication and capacity expansion. If this intensifies competition for greater output, the market will be glutted—everything will be lost in the long run. To prevent such a fatal result, moderation and adjustment, autonomous or governmental, will be as essential as anything else.

### 1. Textile Quotations by Country (In ¥ per kg.)

	Rayon Filament	Rayon Staple	Nylon (filament)	Tectoron (staple)	Acrylnitrile (staple)
Japan . . . . .	364	196	1,455	1,105	900~ 915
USA . . . . .	571~603	262	1,270	1,079	810~1,150
Italy . . . . .	520~554	221	—	1,067	—
France . . . . .	539	203~225	2,304	—	—
West Germany . .	564	214~223	1,412	1,133	1,185
England . . . . .	—	—	1,250	1,111	—

Source: Japan Chemical Textile Association.

### Coal Mining

Coal prices in Japan have fallen off substantially due to the continuous depression, but they are still higher than import costs. In the Tokyo-Yokohama district,



Bird's-Eye View of Wakayama Refinery

Toa Nenryo Kogyo K.K. was founded in 1939 for specializing in the manufacture of aircraft gasoline and aircraft lubricants for the defunct Japanese Navy. After the temporary suspension of operation following the termination of the Pacific War, the Company was reorganized into a refining enterprise in July, 1949. Prior to resumption of operation, the company concluded a capital and technical tieup contract with Standard Vacuum Oil Company, U.S. This tieup relationship has continued up to the present involving therein also the joint front in the supply of crude oil and the sales of finished products. Major products of Toa Nenryo Kogyo K.K. comprise "Mobile Gas" (motor gasoline), "Tiger Kerosene" (kerosene), "Mobile Diesel" (light oil), "Stan Fuel" (heavy oil), "Eso Aviation Gasoline" (aircraft gasoline), "Aviation Turbo Fuel" (jet fuel), "Mobiloil," "Telvak" and "Gargoyl" (high-grade lubricants), as well as benzine and paraffin. All these products are marketed through the sales network of Standard Vacuum Co., Ltd.

As the domestic demand for petroleum products has been increasing by leaps and bounds, the outlook of the company is encouragingly bright. For instance, the annual consumption of petroleum products in Japan, which stood at 12,310,000 kls. in 1956, is estimated to double to 25,000,000 kls. in 1962 and further leap 5.3 fold in 1975. The weight of petroleum in the total supply of energies in Japan is also destined to rise from 19.2% in 1956 to 40.3% in 1975. To cope with the expected expansion of the demand for petroleum products, the company is planning to expand the capacities at its Wakayama and Shimizu plants through exhaustive rationalization, and is also pushing a project for the construction of a gigantic integrated petrochemical plant on the Haneda reclaimed ground near the Tokyo international airport, including a bulky refining mill. The company also created General Oil Co. in November, 1958 through financial tieup with General Bussan, and also founded Nichimo Petroleum Refining Co. also through a capital tieup with Nippon Gyomo Sengu K.K. These two new firms are specializing in petroleum refining. For economization of transportation costs, the company also established Toa Tanker Co., Ltd. in 1959 to attend to the management of tankers owned by Toa Nenryo K.K.



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Topping Unit (Wakayama Refinery)

domestic coking coal is quoted at ¥7,000 or so per mt. compared with the import price of ¥7,200 (\$20) for good coking coal from the United States. If due account is taken of merit, however, the price of American coal stands at ¥6,100, or ¥900 cheaper. In the case of fuel coal, local quotations come at ¥5,800, or ¥400 higher than the estimated CIF Yokohama price of American bituminous coal or \$15 (¥ 5,400). In fact, however, no fuel coal now is being purchased from abroad.

Domestic coal is no match for fuel oil. The ¥ 5,800 price of domestic coal averages ¥ 94 per kcal. compared with ¥90 for C fuel oil (priced at ¥ 9,000 per kl.).

These price spreads have so far been balanced somehow or other through the import restrictions with a view to promoting the energy industry at home and securing the present employment in coal mines. This kind of policy, however, won't be permissible for ever. In this light, authorities and interests concerned are pursuing the policy of "cutting off coal prices by ¥1,200 from 1958 to 1963" in compliance with the Coal Industry Rationalization Council's decision in 1958. For this purpose, the Government in its 1960 budget has appropriated ¥ 7.2 billion, compared with ¥ 4.6 billion a year ago, for purchase of less efficient mines, modernization of coal mining facilities, re-employment of discharged coal mine workers, etc.

Incidentally, the price reduction of ¥1,200 is estimated on the basis of the prices with which coal will be well able to compete with imported fuel oil and coal in consuming centers. As mentioned above, domestic coal is ¥900 and ¥400 higher, respectively, than imported coking and

fuel coals. At this rate, it is expected that, if local prices are slashed by ¥1,200, the price differences will be written off and domestic coal will be able to vie with foreign products even if the latter's quotations further fall down.

The same won't be the case with fuel oil. If imports are freed in addition to the current weakening of the freight market, cheap fuel oil, quoted at ¥ 6,000~7,000 per kl., will flood the domestic market.

The ¥1,200 price cut, after all, is the most important anti-liberalization measure in so far as coal is concerned. The question is: Is such a sharp reduction really possible by 1963? Counter-measures are self-evident: namely, 1) higher efficiency through personnel reduction and mechanization, and 2) streamlining of the distribution system.

According to the Coal Industry Rationalization Council's program, coal production in fiscal 1963 is estimated at 50,000,000 mt. (compared with 48,300,000 mt. in fiscal 1959), and output per mine worker will curve up to 24 mt. a month from the present level of about 14 mt. For this purpose, the number of coal mine workers will have to be reduced by 60,000~70,000. But it is highly problematical if such bold personnel adjustment can be carried out smoothly by the end of fiscal 1963, for a lot of difficulties are involved in the re-employment of discharged coal mine workers.

In this light, authorities concerned have been making ample appropriations for this coal industry rationalization scheme, on the one hand, and, on the other, are planning to lengthen the enforcement of the Fuel Oil Boiler Con-



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control Law and to raise the import duty on fuel oil. The higher duty on oil, be it noted, is a general policy pursued by England, West Germany and France as well as Japan, all of which now are suffering from the chronic depression in the coal industry. The steady replacement of coal by liquid fuel is a worldwide tendency, but as stop-gap measures some protectionist steps are being adopted for domestic coal mines in many countries. Thus, it will be not until the end of 1963 that the Japanese Government will put coal and oil on the free list.

### Oil Refining

The rate of crude oil self-supply in Japan comes at only 2%, and most of the local requirements come from the Middle East, Borneo and Sumatra. Among oil products, fuel oil is by far the biggest import item, coming mostly from the United States.

On the list of Japan's imports, crude oil and oil products combined are the fourth largest item in terms of value, next only to machinery, foodstuffs and textile materials. Due to the very rapid growth, oil needs ten years hence or in fiscal 1970 will increase to 66,500,000 kl., or nearly four times those in fiscal 1958. Foreign funds necessary for such a large amount of oil will amount to \$867 million.

Oil prices in Japan are much higher than those in the United States as listed in Table 2. Not only that, oil consumption here widely differs in pattern from that in the United States: in Japan, fuel oil and gasoline account for 57% and 24%, respectively, of the total, compared with 22% and 49% in the United States.

Free purchasing of fuel oil under the AA system means that C fuel oil, quoted at less than ¥8,000 per kl., will make an influx into this country. This will deal a lethal blow to the coal industry, for fuel oil will be used increasingly. At present, fuel oil is more than 10% cheaper than coal and, moreover, the replacement of coal by liquid fuel is an inevitable course of development in the field of energy utilization.

From the national point of view, however, the coal mining industry must needs be protected somehow or other. Hence the promulgation of the Fuel Oil Boiler Control Law and the imposition of a heavy duty on oil imports. As from fiscal 1960, the duty on B and C fuel oils is to be upped from 6.5% to 10%. These measures have curbed, and will curb, oil imports.

It is also necessary for the Government to offer some protection to those interests engaged in development of oil resources at home and in some foreign countries. Crude oil available at home is quoted at ¥9,200 against the import price of ¥6,200. If crude oil imports are set free, interests developing domestic oil fields will be forced to cut off their selling prices, though they have so far been enjoying liberal governmental aid.

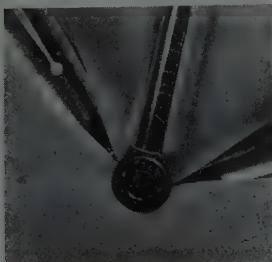
As the present protectionist policy for the coal and crude oil industries at home cannot easily be changed, it will be highly difficult to liberalize oil imports in the near future.

In the oil refining industry as well, there are some delicate problems. In the first place, there are two groups of oil refiners, namely so-called "foreign capital" and

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"native capital" oil companies. Though the former hail free trade, the latter are strongly opposed to it.

Taking advantage of the FA system for oil imports, "native capital" oil companies have thus far been successful in bolstering their positions in rivalry with "foreign capital" firms. Under the AA system, however, they will have to vie directly with powerful international oil magnates. Free trade, therefore, will be a life and death problem for "native capital" companies, particularly minor fellows.

For good or bad, the buyer's market is developing for crude oil all over the world. Reasons are: the successful tapping of oil resources in Sahara and Libya, cheap exports from the Soviet Union, and Arabia Oil's success on the Persian Gulf.

Of the total refining capacity and oil sales, "foreign capital" companies account for 65% and "native capital" firms not than 35%. There can be no doubt that the former have much more competitive potentiality than the latter, because they are backed by powerful international giants. But they themselves are taking every conceivable measure to bolster more than ever their positions in the forthcoming rivalry.

In the Caltex group, Nippon Sekiyu Seisei is planning to scrap the second refinery at Yokohama and to build a new 20,500-bbl.-a-day plant. Koa Oil has up its sleeve a plan to double the capacity of its refinery at Marifu, Yamaguchi Prefecture. And business connections will be made more closer than ever with Nippon Oil or the sales agent for Caltex Oil.

In the Standard group, Toa Nenryo Kogyo, General Oil and Nichimo Oil are combining efforts to build a new refinery at a reclaimed land near Kawasaki. Showa Oil of the Shell team is intending to modernize and enlarge the topping plant of the Kawasaki Refinery. Mitsubishi Oil, financed by Tidewater Oil, has started construction works for a second refinery at Mizushima, Okayama Prefecture.

Among "native capital" interests, Kita Nippon Oil and Asia Oil in February, 1960, merged themselves into Shin Asia Oil, and the new firm now is planning to construct a giant refinery, with capacity at 30,000 bbl. a day, at Yokohama. Nippon Mining is building a second refinery at Mizushima (at first rated at 30,000 bbl. a day, and the capacity to be boosted to 130,000 bbl. a day).

Two big firms, Idemitsu Kosan and Maruzen Oil, are pursuing the policy of placing more weight on gasoline, kerosene and gas oil than fuel oil in refining business, on the one hand, and, on the other, stepping up the entry into petrochemistry. It deserves special mention that Maruzen Oil, in cooperation with Union Oil (USA), has set up a new firm, Unima Oil, at Hongkong in an attempt to export oil products to the Southeast Asian countries.

It is also noteworthy that Arabia Oil's success on the Persian Gulf has given great stimulus to the "native capital" oil companies to undertake new projects. For instance, Daikyo Oil and Nippon Yushutsunyu Oil have jointly established Yokkaichi Oil Tank, and Nippon Mining has decided to finance Arabia Oil.

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Teikoku Oil, engaged in crude oil tapping at home, has been pushing a series of rationalization measures: e.g., transfer of some inefficient wells to a subsidiary firm, and development of natural gas.

After all, there are various contradictions and frictions in the industry—coal versus oil, domestic crude oil in rivalry with imported crude oil, "native capital" pitted against "foreign capital", and so forth. Social and political problems are also involved in this labyrinth of interests. Thus, it will be long before a unitary policy is worked out along the lines of free trade.

## 2. Oil Prices by Country

(In ¥ per kl.)

	Japan	USA	England
Gasoline . . . . .	14,500	15,123	14,782
Kerosene . . . . .	16,900	14,200	16,200
Gas Oil . . . . .	15,500	13,800	—
A Fuel Oil . . . . .	12,600	11,600	11,700
B Fuel Oil . . . . .	10,360	—	10,900
C Fuel Oil . . . . .	9,000	6,700	10,400

Note: The wholesale prices. As for Japan, taxes are not included.

Source: Compiled by *The Oriental Economist* on the basis of the *Sekiyu Shiryo Gempo* and other sources.

## Iron & Steel

Among the import items still under anti-Dollar restrictions, scrap iron will be placed on the free list in April, 1960, and there are indications that the liberalization of pig iron imports from the Dollar area will be carried out in October, this year. It is further reported that rolled steel will be imported freely as from the latter half of fiscal 1960 or from April, 1961.

The United States has been the biggest source for scrap

steel. It is feared that free imports of American scrap will dislocate the steel production adjustment schedule and, moreover, stimulate speculative purchases. And interests concerned have decided to strengthen their cartel and to avoid unnecessary scrambling.

Pig iron purchases from non-Dollar countries (India, South Africa, Spain, etc.) have been set free since December, 1958. Even if imports from all the countries are liberalized as from October, 1960, no much will be purchased from the United States and Canada, where iron prices are relatively high. There is no fear that free trade will bring about any pressure insofar as pig iron is concerned.

As for rolled steel, too, leading corporations in the industry has no serious apprehension, for they have rationalized and improved their equipment and technique to the international standard. They are indeed importing most of their material needs from distant countries, but steel makers in Europe and America now are, and will be, more dependent than ever upon far-off material sources.

Such optimism cannot be said to be founded on exhaustive investigations and elaborate discussions. Thus, the Japan Iron & Steel Federation in March, 1960, set up a "free trade committee", under which five sub-committees have since been organized on international competition, import duties, market, special steel and pig iron. The Ministry of International Trade & Industry has also started a comprehensive study of various free trade issues concerning pig iron, rolled steel and secondary products.

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Even if the anti-Dollar import restrictions on scrap and pig iron are abolished, there will be no need of apprehension, for scrap iron purchases can be made smoothly through the import cartel, and there is no country which regularly can export a sizeable amount of pig iron. This appears to be the general opinion of interested circles.

Some open hearth furnace operators, however, entertain a different view. Japan will become one of the biggest clients for scrap iron in the world, because scrap iron consumption has been shrinking relatively in Europe and America due to the increasing construction of top-blown conveyors. Then, it is doubtful if cartel operations will be successful under free trade. As for pig iron, both India and South Africa may have some export surplus at all times, and we can regularly import some from them. It must be noted that the import prices of pig iron (from India, South Africa, Spain, etc.) now stand at ¥21,000-22,000 per mt. compared with ¥26,500 in Japan. Open hearth furnace operators, thus far handicapped in securing the supply of pig iron due to the closer combination of big integral iron-steel makers and minor fellows under their wings, will find general conditions turning for the better if they can freely buy pig iron from abroad.

How to lubricate cartel consolidation and free competition, therefore, is an important problem confronting the industry. After all, some European countries have often exported their iron and steel products at prices 30-40% lower than their domestic quotations. And it is essential for Japan to cope with such dumping operations. The question is: To what extent can Japanese steel

makers compete in cost with foreign rivals? As shown in Table 3, the big three steel companies in Japan have to pay more capital interest than their competitors abroad. Some counter-measures must needs be taken at once. Concerning dumping, a section of interested circles advocates that a specific, instead of an ad valorem, duty shall be imposed on iron and steel.

Of the total special steel imports, tool steel accounts for nearly 20%. In some steel producing countries, high-speed steel, drill steel, bearing steel, large-sized die steel, etc. are about 30% cheaper than in this country, so local makers cannot vie with foreign interests even if a heavy duty is imposed. But the date of delivery is longer, and claims and other inconveniences often occur. Thus, there is no need of pessimism if efforts are made for rationalization.

The same will be the case with ordinary steel products. Leaders in the industry emphasize that utmost efforts should be exerted for equipment rationalization and autonomous adjustment in order to bolster international competitive power. In fact, big steel companies are vigorously striving for lower cost through development of overseas mines, construction of ore and coal carriers, and modernization of equipment. It is also desired that expansion projects should henceforth be undertaken mainly with internal reserves in order to improve the "constitution" of steel companies.

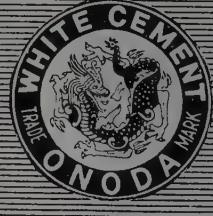
Some steel interests are apparently trying to cast in their lot with American steel makers and thereby to consolidate their positions at home, because they now



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cannot expect much of World Bank loans. Others are planning to make closer than ever their tieups with machinery builders so as to forestall the indirect bearings of free trade on steel-consuming industries.

In this way, in spite of the optimistic outlook, all of the iron and steel companies, big or small, are racking their brains to prepare themselves against the free trade storm through stronger competitive power and better "constitution".

### 3. Profit Indicators for Japanese and Foreign Steel Makers

(In % of total sales)

	Internal Reserves	Divid- end	Tax	Profit	Depre- ciation	Total
Japan: Big 3 Integral Makers	1.3	1.2	2.2	3.3	5.3	13.3
USA: U.S. Steel	5.4	3.6	11.3	0.2	7.0	27.5
Bethlehem Steel	4.9	3.6	10.1	0.3	4.9	23.8
Armco Steel	6.3	2.9	10.4	0.3	4.8	24.7
W. Germany: Five Concerns	..	1.2	6.1	1.5	10.6	19.4
France: Juno	..	1.3	*15.6	2.6	11.5	31.0

Note: The second half of 1955 for Japan, and the whole year of 1955 for other countries. \* Including the sales transaction tax.

Source: Fuji Iron and Steel Co.

### 4. Consumer Prices of Iron & Steel Prices by Country (Dec. 31, 1959)

(In \$ per mt.)

	Japan	USA	Eng- land	West Germany	France	Belgium
Pig Iron for Steel Making	73.61	67.16	55.53	75.29	79.21	85.51
Shapes (50 mm)	122.2	154.8	112.7	121.6	131.6	134.5
Bars (19 mm)	116.7	143.8	109.7	106.7*	112.0*	111.7*
Plates (12 mm)	144.4	140.4	116.0	123.2	144.4	147.7
Sheets (16 mm)	161.1	138.8	124.9	149.9*	154.6*	150.1*
Rails	138.9	150.5	109.6	120.2	131.2*	133.0*

\* Thomas steel.

### Shipbuilding

Shipbuilding is one of Japan's most important export lines, and overseas sales since the war's end has summed

up to nearly 7,220,000 GT. In terms of launchings, Japan has been the biggest shipbuilder in the world in the past four years, and her competitive power is widely recognized abroad. Free trade, therefore, is expected to bring about the following encouraging effects:

1) Domestic ship prices may be prevented from climbing sharply thanks to the free imports of plates and other materials.

2) Free imports of machines and equipment will facilitate the much-desired rationalization and modernization of shipyards and facilities, which in turn will strengthen competitive potentiality.

3) The liberalization of capital transactions will enable shipbuilding companies to utilize low-interest foreign capital—a great encouragement to shipbuilders who have to fix a huge amount of funds on equipment for many years.

But it will be long before these effects will really come to the fore. A serious problem now confronting the shipbuilding industry is the sharp contraction of new orders caused by the shipping recession. Thus, it is much more urgent and necessary for shipbuilders to work out anti-recession measures than to counteract free trade.

To overcome the current depression, all the shipbuilding companies are actively planning to start or expand land use machine manufacture, including iron and steel making machines, compressors, boilers and other industrial machines. They are striving for cost cutting and for technical cooperation with foreign machinery makers. In entering into technical contracts, they often conclude sales agreements with foreign interests, and this is something like a measure to cope with the possible liberalization of machine imports.

But ship equipment makers will be affected seriously

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by free imports of marine engines and other equipment. According to the Ministry of Transportation's survey, Japan imported \$3,640,000 worth of marine engines, boilers, etc. from April through September, 1959 (see Table 5). In Japan, these are all manufactured by minor interests who are less advanced in technique. Thus, if import trade is set free, foreign makes will flood the domestic market, and it is a prerequisite for local makers to rationalize their plants and thereby to foster their international competitive power.

#### 5. Imports of Marine Engines, Boilers & Other Equipment (Apr. ~ Sept., 1959) (In \$)

	Total	For Domestic ships	For Export ships
Main Engines, Shafts, Parts & Accessories . . . . .	661,611	373,101	288,510
Boilers, Parts & Accessories . . . . .	1,145,859	182,669	963,190
Auxiliary Engines . . . . .	1,312,654	46,494	1,266,160
Nautical Instruments . . . . .	406,679	9,413	397,266
Others . . . . .	114,088	13,680	100,408
Total . . . . .	3,640,891	625,357	3,015,534

Source: Ministry of Transportation.

#### Shipping

Shipping interests are always in free rivalry with one another on the world market, so they will be little affected direct by the liberalization of foreign trade and exchange. But indirect or derivative repercussions are not necessarily negligible.

Liberalization measures related to shipping business, i.e. for relaxation of the restrictions on invisible trade exchange transactions, are as follows:

1. Remittance in foreign currency out of shipping companies' freight revenues in yen put into practice as from the foreign exchange budget for the second half of fiscal 1959 (out of the total invisible trade payment budget

at \$78,780,000 for that half-year term, about \$64,120,000 or 82%). This account is under the Ministry of Finance's jurisdiction.

2. Remittance in foreign currency of freight payable by traders for AA import goods (excluding pig iron and lauan) put into practice as from February 5, 1960, under the Ministry of International Trade & Industry's jurisdiction. This means no liberalization in the strict sense of the term but mere simplification of procedure. But it has become very easy and convenient for traders to use foreign vessels, if necessary, as they are well able to make remittances, subject not to MITI's permission but to foreign exchange banks' validation. This, however, is not applicable to freight for continued voyage and long-term charter.

These initial steps, therefore, are expected to bring about little bearings on the shipping industry as a whole.

Other measures to be put into practice step by step will be the liberalization of charter contracts. Charter payments already contracted are to be freed in April 1961; freight usance (excluding materials and important import items) and spot charterage, in April, 1962; and all others, in April, 1963. Such liberalization of charter contracts certainly will lead to the increase of international trade or activation of cargo movement, and will give favorable stimulus to liner operators.

But free trade will cause various changes in trade patterns and trade routes. Differences among trade routes will get wider than ever: namely, the United States will gain in importance more than ever, whereas the under-developed countries will lose ground. The movement of cargoes will become brisk on the routes between Japan and the United States, but there is every fear that other routes, especially those to Latin America and Southeast Asia, won't be able to break even as conditions turn for the worse.

Among various measures for liberalization of invisible trade transactions, free charter will have far-reaching repercussions on shipping business. Charter contracts between Japanese operators and owners themselves are in fact independent from the international market in London, but, if charter is completely freed, they will be affected more or less by foreign ship owners. Thus, Japanese owners will find themselves at a disadvantage.

In case continued voyage and long-term charter contracts are liberalized, it will become more convenient to charter foreign craft, so other freight rates will also have to be cut off. Still worse, all this will stimulate foreign operators, particularly of large-size ore or coal carriers and supertankers, to advance into the Far Eastern waters, and Japanese boats will find their cargoes shrinking substantially. In this connection, it must be noted that boats can be built abroad at much cheaper cost than in Japan, and that break-even freightage is much lower abroad than here. Thus, Japanese operators will be unable to compete with foreign interests on an equal footing.

Last but not least, the differences among local shipping companies will get all the more conspicuous as the result of freer trade and exchange. Operator closely connected with influential traders can stand on a very favorable position. In order to counteract the impact of free trade, therefore, nothing is more important than firmer foundation and "better" constitution as is the case in other lines. The trouble is that the reduction of relatively high freight rates in Japan is a very difficult proposition, for the most important factor responsible for this state of things is the high building cost, which in turn comes from high interest rates.

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## Liberalization Effects on Farming

The biggest difficulties encountered in the move toward decontrol of foreign trade are probably those in connection with farm products. There is virtually no Japanese agricultural product that can compete on even terms with farm or forestry commodities from some foreign country. Moreover, no matter how great the endeavor to effect the constitutional improvement that has proved efficacious in the case of other industries, the difficulties encountered are as often as not insuperable. Consequently, it can be expected that decontrol of farm products will be deferred to the very end of the process, while strong opinion prevails that this should be so. Nevertheless, it would not at all be reasonable to insist that agriculture alone be exempted from the general trend toward freer trade. Moreover, the situation already is such that the matter cannot be considered in terms of the future, and the problem now faced pertains to timing of decontrol and the extent to which liberalization should be carried out.

At the two-week conference in Geneva of the GATT Second Committee (agriculture) for Expansion of Trade, there was considerable criticism by the representatives of various countries regarding Japan's farm protection policy, particularly the system of food control and the various restrictions imposed on importation of agricultural products, and also about the discrimination practised on the basis of bilateral trade agreements.

Let us first look into the farm products of Japan, their competitive strength on the world market, and the effects that will be felt as a result of decontrol.

The principal sources of rice imported into Japan are Thailand, Burma, Taiwan and certain others. Without exception, these countries have succeeded in increasing production, and the overall result is a trend toward decline in price. Nevertheless, the price of rice produced in Japan is given support by the provisions of the Food Control Law, while the government is enabled to exercise regulatory control over supply and demand. Although the successive bumper crops have notably eased the food situation the support price of rice delivered to the government has gone up, increasing the gap between world and domestic prices. Today, the producer's price in Japan is from 30 to 35 percent higher than that of low-grade foreign rice, and from 20 to 25 percent higher than that of better grade imported rice. Consequently, if decontrol should be effected it can be foreseen that consumption of low-cost imported rice will increase among the low-income groups and industrial users. Although some people insist that home-produced rice can hold its own by virtue of tastiness and high quality, open competition will doubtless present difficulties since the price of imported rice is on a downturn.

With wheat and barley, while domestic production has been declining since 1954, the peak production year, there has been a steady increase of importation. In 1958, Japan was dependent on imports for 64 percent of its wheat and 38.8 percent of its barley requirements; and wheat was

the top ranking item among agricultural imports. In the case of domestic barley, farm household consumption is high (only some 40 percent of the crop is available for commercial sale). In the case of wheat, there is a preference for domestic wheat for noodles, while imported wheat goes into bread. However, the price difference between domestic and imported barley and wheat is big (30 to 35 percent higher in the case of barley, and from 35 to 40 percent higher in the case of wheat). Moreover, wheat and barley figure in the farmer's economy as an important pay crop since some 10 percent of all farm income is derived from barley and wheat sales. Consequently, immediate decontrol would present enormous difficulties.

Decontrol of soybeans (ending of discrimination against soybean purchases from the dollar area) is scheduled for this coming October, and the moves made in connection with this farm product which will be the first to be freed are being closely watched. It appears that the Government intends to use the "instant relay" method when soybean is shifted to the automatic approval category. But "instant relay" is meant government purchase of the imported soybean for immediate resale to the original importer. This will be a bookkeeping technique with no physical transfer of the commodity. When resale to the importer is effected, the price differential between the domestic and imported products will be absorbed by the Food Control Special Account, and will be used to support the price of domestic soybean. It is certain that the difference runs higher than 40 percent, and the import tariff of 10 percent will be far from enough to protect domestic production. Much of the domestic product goes into *miso* (fermented bean paste) and soy sauce made by farmers for their own household consumption, and only about 30 percent of the crop (about 150,000 tons) is available for marketing. Moreover, farmers producing soybean for the market are generally concentrated in such areas as Hokkaido; so that opinion is gaining ground that instead of adopting such a measure as the "instant relay" arrangement which runs counter to the spirit of liberalization it would be far more preferable to do away with restrictions altogether to bring down the price of soybean oil.

Currently, all dairy products except natural cheese, lactic sugar, and milk casein, which are in the AA category, come under the foreign exchange allocation system. All animal husbandry products, such as tallow, fats, and hides, other than dairy products, are in the AA category. However, edible meat (beef and pork) importation is controlled. With steady increase in the consumption of dairy products, production has gone up and prices have come down, but not to a level low enough to permit competition with the advanced dairy farming nations. For example, with butter the price of domestic butter is about 60 percent higher than that of the foreign product, while with dried skim milk and meat the imported price is from 30 to 40 percent lower than the home products. Consequently, decontrol will be difficult. Moreover, animal husbandry is considered the most essential activity for

modernization of Japanese farming; so protection will doubtless be continued in one form or another. Nevertheless, it will also be necessary to take concrete steps, as has been urged frequently since long ago, to formulate a comprehensive policy for the promotion of dairy farming through concentration of livestock raising, higher efficiency in processing of products, and the elimination of anomalies in the system of distribution.

Sugar production is encouraged by the government, and the official purchase price for beet sugar is ¥4,929 per 60-kilogram sack. This price is about 50 percent higher than the price of imported sugar at ¥2,916 (c.i.f. cost of crude sugar plus the cost of refining). Furthermore, the sugar content of the domestic product tends to be low, so there is a quality gap of about ¥1,500 to ¥2,000, and the handicap is enormous. Consequently, in face of the move toward liberalization, the very foundations are shaken of the policy of encouraging domestic production of such sweetening as beet sugar and fruit sugar. Nevertheless, the actual situation is that imported sugar is subjected to a tariff as high as ¥41.50 per kilogram to bring the price of imported sugar to ¥5,406 per 60-kilo sack. Therefore, it can be said that there is considerable leeway for decontrol, while there should be undertaken a review of the situation whereby the refiners of imported sugar are assured a handsome profit margin.

From the foregoing it will be seen that there is practically no Japanese decontrol of farm products as there are involved such factors as natural limitations and the population problem, while the effects upon the economy are by no means limited to the farming population. Consequently, even in the countries of western Europe which have made the biggest strides toward liberalization of trade

there still remain in effect measures to protect the home farm industry. In the case of Japan, a huge population must be supported by extremely limited land resources, while the productivity of the Japanese farmer is still very low by international standards. Therefore, the rate at which decontrol of farm products can be undertaken will doubtless be fairly low.

Nevertheless, it will not be practical to make a permanent exception of farming; and the farmer cannot expect to continue indefinitely to enjoy the soothing comfort of protectionism. Basic change is needed in thinking because the present farm price support policy tends to fix prices regardless of the actual supply-demand situation, and rigidity is bound to develop in the pattern of production, distribution and consumption. In the long run there is every danger that such inflexibility will impede the progress of Japanese farming. Furthermore, despite the handsome protection given the farmer, the gap between farm and industrial income levels is tending to widen year after year, while the deficits run up by the Food Control Special Account are not a trifling sum (annual deficit of some ¥20,000 million in the domestic rice account alone). Moreover, the entire system of rice control is crumbling from the consumer end, with numerous refusals to accept rice rations. Therefore, the present system will sooner or later have to be abandoned.

In short, for the good of Japanese farming it will be necessary to abandon the policies formulated on the premise that trade would continue under rigid controls; and there must be established a new, long-range farm policy designed to prepare the way for full decontrol by correcting such defects as overmanning and minusculeization which are impeding the development of farm productivity.



# NIPPON CARBIDE INDUSTRIES CO., INC.

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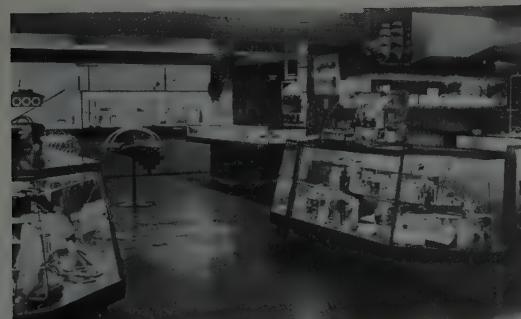




Part of dry goods section (Osaka Main Store)



Grand-floor entrance (Osaka Main Store)



Exclusive Goods Section



Paterson Bldg. Housing Hong Kong Daimaru



## Daimaru, Inc.

There are two topnotch department stores in Japan which have long been fighting for the No. 1 spot in Japan's department store world—one is Mitsukoshi in Tokyo and the other is Daimaru in Osaka. The two have always been shoulder to shoulder in every respect—sales amount, popularity and history. In the recent few terms, however, Daimaru has finally outrun Mitsukoshi in sales amounts, thus copping the No. 1 title in Japan.

History of Daimaru dates as far back as 1717 when the *samurai* knighthood was still in flower. At that time Daimaru was merely a small dry goods dealer. The head of the store, however, was farsighted enough to name the establishment Daimaru—meaning the greatest in the world. His dream is now more than partly realized as Daimaru, with its stores in four major cities in Japan, is one of the most representative giant stores in the Orient.

One of the most important features of Daimaru Department Store is the amazingly big sales amount per store. This is best illustrated by the fact that Daimaru, with its four stores, outdistanced Mitsukoshi with its 11 stores in the total sales amount.

As a first step of its international expansion, Daimaru has recently advanced to Hong Kong. The new Hong Kong store is going to be a joint enterprise affair with the initial capital of HG\$3,000,000 of which Daimaru would share some 55%. The store would be located on the Paterson Street, Hong Kong and occupy some 1,700 tsubo of sales floor. The store will open its portals in the coming fall. The venture is being watched with extreme interest as it marks the first such undertaking in the Southeast Asian countries by a Japanese firm.

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 161  
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## Investment Outlook

In view of the increasing interest being taken by foreign investors in Japanese stocks, some of more important growth stocks on the Japanese securities market which have come more predominantly into the international limelight are studied in this issue.

### Ajinomoto Co., Inc.

Capitalized at ¥2,296 million, Ajinomoto Co., Ltd. is the exclusive manufacturer of the internationally-known seasoning "Ajinomoto" (monosodium glutamate). With monosodium glutamate in Japan being manufactured by about 10 different companies under various trade marks, Ajinomoto is by far the largest of all, accounting for more than 70.0% of the national production. Its monthly production capacity of 1,000-1,200 tons is also the highest in the world. "Ajinomoto" was first exported to China in 1937 through 1938, and its advance to other world markets has since been swift and energetic. World markets for "Ajinomoto" have been particularly expanded after the Pacific War, and it has now become an indispensable seasoning not only in Southeast Asian countries like Thailand, the Philippines, Hongkong, and Singapore but also in Europe and America with bulky shipments being made to West Germany, Britain, France, the United States and Switzerland.

It was in 1922 that Ajinomoto Co. was incorporated into a joint-stock company, some 12 years after "Ajinomoto" was first marketed in this country in 1910. Thus, the company observed the semi-centennial of its founding in 1959. To mark the occasion, the company gave a 10.0% special dividend in addition to the usual 25.0% dividend per annum for the term. At first, Ajinomoto Co. originally used wheat as the raw material for manufacturing monosodium glutamate, but the technical progress later enabled the company to substitute wheat with soybean. At present, the company is using wheat and imported soybean as major raw materials. Through the utilization of soybean, the company has also become the second largest manufacturer of soybean in this country. The company registered the total sales of ¥13,860 million during the six-month term covering the period from April through September, 1959, of which "Ajinomoto" accounted for 58.0%, "Aji-eki" (chemical soy sauce) took 10.0%, edible oil took 10.0%, starch accounted for 9.0%, fertilizers took 2.0%, and other by-products took 11.0%. The company is now studying the new processes of manufacturing "Ajinomoto" by the fermentation and synthetic

methods, and is also advancing to Thailand.

The company is well ready to industrialize the production of "Ajinomoto" by the fermentation process based on studies at its central laboratory. Regarding the synthesis process, which is reported a little more costly, the company will also built a new plant during 1960. By the fermentation process, starch is used as raw material, and this project is regarded highly significant in Japan where the supply of raw materials for starch is abundant. The advance to Thailand has materialized at the request of the Thai Government. Under this project, an "Ajinomoto" plant with the monthly capacity of 100 tons will be erected near Bangkok under the name of Thai-Ajinomoto Co. with all plant facilities exported from Japan for the completion of the plant scheduled in the summer of 1961. The company is also planning to advance to the manufacture of glucose through a technical tieup with Corn Products Co. (U.S.), although the start of this project may be delayed by the stiff opposition by existing manufacturers of grape sugar.

### Ajinomoto's Business Results

(In million yen)

Half-year term	Sales	Net Profits	Profit rate (%)	Dividend rate (%)
Dec., 1958 . . .	13,014	1,295	113	25
Mar., 1959* . . .	6,180	615	107	25
Sept., 1959 . . .	13,861	1,348	117	35**

\*Three-month term: \*\*including 10.0% special dividend.

### Price Movement of Ajinomoto's Shares

	High	Low	Turn-overs (In 1,000 shares)
1959—Nov. . . . .	¥406	¥372	3,771
Dec. . . . .	401	342	2,381
1960—Jan. . . . .	429	361	11,527
Feb. . . . .	520	417	16,066

Source: *The Oriental Economist*.

### Mitsui Bussan Kaisha

On the list of Japanese corporations internationally renowned since before the war, Mitsui Bussan Kaisha (Mitsui & Co., Ltd.) deserves first mention. Mitsui Bussan Kaisha today, however, is markedly different in character from what it was before the war. Established in 1876, the company before the Pacific War was the largest of general merchants in this country operating solely under the financial aegis of the House of Mitsui, the foremost of Japan's financial interests. As one of the direct subsidiary to the Mitsui Zaibatsu, Mitsui Bussan in those prewar days occupied a unique position in various phases of the national economy. In July, 1947, soon after the termination of the Pacific War, however, the company was ordered dissolved by the General Headquarters, Allied Forces, and Mitsui Bussan in its prewar form disappeared, as it was disintegrated into nearly 200 smaller trading firms each headed and

staffed by former employees of the defunct company. In the past several years, however, they were gradually amalgamated into bigger units again with the finishing touches given through the merger of Daiichi Bussan and Mitsui Bussan (two second companies which emanated from the old Mitsui Bussan) into the present Mitsui Bussan in February, 1959.

The annual volume of commercial transactions by Mitsui Bussan today amounts to about ¥500,000 million, somewhat smaller in scale than the prewar Mitsui Bussan which is reported to have handled transactions almost equal in value to the national budget. For all that, Mitsui Bussan is still the largest of general merchants in this country today, with its ¥500,000 million annual business eclipsing Mitsubishi Shoji, the runner-up, by about 10.0%. Mitsui Bussan handles a wide variety of commodities, including metal products, machinery, iron and steel, non-ferrous metals, foodstuffs, textiles and sundries. It has an extensive network of overseas branches (some of them functioning as juridical persons under the law of the countries concerned) with more than 330 employees in charge. During the half-year period from April through September, 1959, the company handled ¥242,500 million worth of business, comprising exports (21.9%), imports (24.8%), third-country trade (1.8%) and domestic transactions (51.5%). Predominating on the list of commodities handled during the period under review were iron and steel products (20.6%), edible oils (13.2%), machinery (12.0%), chemicals (8.6%), non-ferrous metals (7.1%), sugar (6.0%), fertilizers, foodstuffs, sundries, lumber, etc. On the other hand, the weight of fuel materials like petroleum is extremely small.

Mitsui Bussan has been making a positive advance to strengthen its ties with leading manufacturing companies also belonging to the Mitsui group through financial assistances. As of the end of September, 1959, investments by Mitsui Bussan in those companies totalled ¥8,600 million. Among the companies financially aided by Mitsui Bussan are Mitsui Petrochemical and the Japan Atomic Energy Co. It also has invested in Japan-Rem-

### Mitsui Bussan's Business Results

(In million yen)

Half-year term	Sales	Net Profits	Profit rate (%)	Dividend rate (%)
Sept., 1958 . . .	178,074	562	43	16
Mar., 1959 . . .	188,425	901	43	16
Sept., 1959 . . .	242,484	1,012	42	14

### Price Movement of Mitsui Bussan's Shares

	High	Low	Turnovers (In 1,000 shares)
1959—Nov. . . . .	¥331	¥298	15,350
Dec. . . . .	342	290	46,148
1960—Jan. . . . .	377	322	48,768
Feb. . . . .	431	357	57,313

ington Univac jointly with Tokyo Shibaura Electric. Mitsui Bussan is at present capitalized at ¥6,222,578,000, plus internal reserves totalling ¥3,000,000,000. The company is certain to make a more energetic growth with the progress of trade and exchange liberalization now in swing.

### Sumitomo Electric Industries

Sumitomo Electric Industries, a leading manufacturer of electric wires and cables in this country, is noted for its unique zeal for technical renovation. Capitalized at ¥4,500 million (by the last expansion in October, 1957), the company's sales in the six-month term ended March, this year are estimated to have well topped ¥15,500 million to near the ¥15,700 million mark, including ¥11,000 million worth of electric wires and cables, ¥2,000 million worth of special metal wires, and ¥1,000 million worth of sintered alloy tools, an increase of some 18.0% over the sales in the preceding term (ended September, 1959) at ¥13,187 million. In parallel, the earnings for the term under review are expected to have accordingly increased principally on the strength of larger sales of its main products—electric wires and cables. With the reserve for retirement allowances and other internal reserves liberally set aside, therefore, the profit for the term (with tax) is estimated to have reached about ¥1,200 million, a comfortable hike of over 20.0% over the profit for the preceding term, with the profit rate against the paid-up capital (¥4,500 million) soaring to 53.0% against 44.0% a term ago. Thus, the current dividend rate of 12.0% (per annum) may well be easily maintained with the increasing possibility of another capital expansion. Although the company is apparently very cautious in making a decision on another capital increase, chances are getting ripe for a new boost. During the period of two years and a half since its capital was hiked to ¥4,500 million (in October, 1957), its debts swelled from ¥4,700 million (as of September, 1957) to ¥6,500 million (as of the end of 1959), and the total outstanding balance of debentures also rose from ¥850 million to ¥1,350 million in the interim. The company is also in need of more funds to finance plant and equipment investment operations. The company's new plant at Yokohama, now under construction, requires ¥2,200 million for its firststage project. Rationalization of the company's main plant in Osaka and two branch factories at Itami and Nagoya demands the additional spending of about ¥2,000 million. With fresh funds totalling some ¥4,200 million needed, the company plans to raise one half out of its internal reserves and the remaining half by loans from external sources. Hence, an immediate capital expansion may be dispensable, but will become necessary as borrowings are likely to mount with the progress of factory construction and rejuvenation projects. With the Yokohama factory scheduled to be completed in Octo-

ber, this year for the production of plasticized communication cables at the monthly capacity of some ¥200,000,000 second-stage construction operations are certain to follow in the wake, particularly as the company is expected to make a positive advance to fields other than electric wires and cables. An example in this direction is a recent financial tieup arranged between Sumitomo Electric Industries and Nippon Dunlop Rubber (under which the former furnished ¥500 million of the latter's capital of ¥1,250 million). Taking all these recent developments taken into account, a new capital expansion appears inevitable sooner or later for Sumitomo Electric Industries. In the absence of any particularly drastic change in the keynote of the electric wire-cable industry, the next capital expansion will come into the lime-light toward the close of 1960 with the Yokohama plant begins operation on a paying basis. The new capital expansion will come in the form of either a 50.0% boost or a 2/3 increase, but the present 12.0% dividend will be kept unchanged. The market price of Sumitomo Electric Industries' share has been stable without making any wide fluctuations, but the current price of ¥116 (¥50 share) gives a yield of 5.0%, a fair showing for a stock of a leading Japanese firm. As of the end of September, 1959, the company had 5,432 employees on its payroll. The movement of business results and the fluctuations of share prices of Sumitomo Electric Industries in recent terms were as follows:

#### Sumitomo Electric's Business Results (In million yen)

Half-year	Term	Sales	Net Profits	Profit rate (%)	Dividend rate (%)
ending					
Sept., 1958	10,114	437	19	12	
Mar., 1959	10,451	411	18	12	
Sept., 1959	13,187	489	22	12	

#### Price Movement of Sumitomo Electric's Shares

	High	Low	Turnovers (In 1,000 shares)
1959—Nov. . . . .	¥117	¥106	1,851
Dec. . . . .	118	92	1,979
1960—Jan. . . . .	133	97	11,172
Feb. . . . .	128	115	2,952

Source: *The Oriental Economist*.

### Toyo Rayon Co., Ltd.

Toyo Rayon Co., Ltd. was established in 1926 by Mitsui Bussan K.K. to specialize in the production of chemical fibers at a plant erected at Ishiyama in the City of Otsu, Shiga Prefecture. The company started manufacturing rayon filament by the Viscose process in August, 1928. With the business of the company having fared well, the company's shares were placed on the stock market in 1933. In 1935, Toyo Rayon started producing rayon staple, and a new plant was constructed at Seta, also in Shiga Prefecture in 1938 for the manufacture of spun rayon yarn and fabrics. In 1939, another new plant was erected at Kanazu, Fukui Prefecture for rayon filament fabrics, followed by the construction of two other plants in 1940 at Ehime (for rayon staple, spun rayon yarn and fabrics) and at Nagoya (for processing and dyeing). Toyo Rayon Co. at present has the daily

production capacity of 68.7 tons of rayon filament yarn, 18 tons of high-tenacity rayon and 102.6 tons of rayon staple, and is equipped with 153,200 spindles for spun rayon and 1,347 weaving machines for various fabrics.

The company, which had been engaged in studies for nylon since before the war, started manufacturing this item in 1949 with a new plant devoted to this product constructed in Nagoya in 1950. In 1951, the company went into a technical tieup contract with E.I. du Pont de Nemours & Co. (U.S.) for nylon, and its present daily capacity stands at 62 tons in short-fibre nylon and 15 tons in long-fibre nylon. The company also signed a technical tieup contract with Imperial Chemical Industries (Britain) for the manufacture of Tectoron (a polyester fibre) at its Mishima plant, Shizuoka Prefecture (completed in 1958), which now has the daily capacity of 6.4 tons in long-fibre Tectoron and 24.2 tons of short-fibre Tectoron.

Specializing mostly in spun rayon, Nylon and Tectoron, the company sales in the half-year term ended September, 1959 were divided into 65.0% of Nylon, 12.0% of Tectoron, and 23.0% of rayon filament and spun rayon items. The company's exports amount to about ¥23,000 million annually, of which Nylon accounts for about ¥16,000 million.

For the future expansion, the company has been making positive preparations to advance to acrylonitrile as well as polyolefine items, and the production of polypropylene is being industrialized through a tieup with Mitsui Chemical, which has signed a provisional technical tieup contract already with Montecatini Societa Generale per l'Industria Mineraria e Chemica (Italy). Toyo Rayon has been noted for its high profit rate and rational management, and is well guarded against international competitions even in time of depression. Hence, its share is one of the blue-chip issues on the market. Meanwhile, the company at its recent shareholders meeting decided to establish a ¥1,000 million foundation devoted to establish a ¥1,000 million foundation devoted to the advancement of technical and scientific researches.

#### Toyo Rayon's Business Results (In million yen)

Half-year	Term	Sales	Net Profits	Profit rate (%)	Dividend rate (%)
ending					
1958—Mar. . . . .	28,948	1,874	63	20	
Sept. . . . .	25,875	1,382	46	20	
1959—Mar. . . . .	33,224	2,131	36	18	
Sept. . . . .	37,359	3,320	55	18	

#### Price Movement of Toyo Rayon's Shares

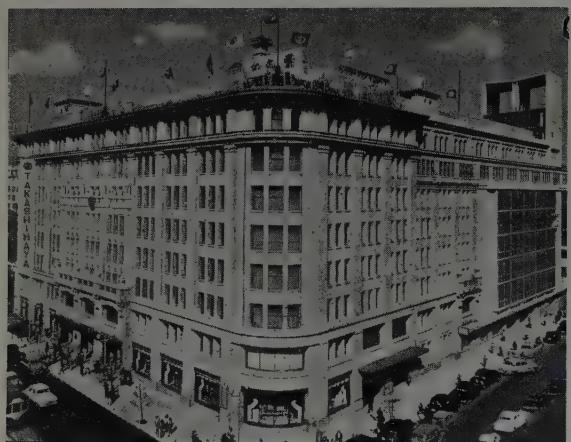
	High	Low	Turnovers (In 1,000 shares)
1959—Nov. . . . .	¥309	¥280	6,400
Dec. . . . .	300	242	9,520
1960—Jan. . . . .	281	245	9,716
Feb. . . . .	270	233	14,524

#### Toyo Rayon's Sales Itemized (In million yen)

Items	Sept., 1958	March, 1959	Sept., 1959
Rayon filament &			
Spun rayon . . . . .	6,767	7,154	8,450
Nylon . . . . .	17,877	22,694	24,550
Tectoron . . . . .	1,231	3,376	4,458
Total . . . . .	25,875	33,224	37,458



Head Office and Osaka Store



Tokyo Store



Kyoto Store



Yokohama Takashimaya

# 高 Takashimaya

CATALOGUE  
162  
NUMBER

History of Takashimaya dates back to 1831 when Mr. Shinshichi Iida I—ancestor of the present president Mr. Keizo Iida—opened a small dry goods store in Kyoto. In the following 130 years, Takashimaya achieved a phenomenal progress and now it is counted as one of the "Big Four" department stores in Japan.

Takashimaya has three major stores—one each in Osaka, Tokyo and Kyoto and the store's major strength lies in dry goods, furniture and decorative goods. With loyal clientele in its hand, Takashimaya's three major stores chalked up the total sales of ¥33,100,000,000—third biggest in Japan only after Daimaru and Mitsukoshi—during 1959.

Takashimaya has long been noted for its progressive management. One good example of this is its opening of Takashimaya Inc. in New York in October, 1958. Although comparatively small in floor space (only 6,000 sq.m.), the New York store virtually spearheaded the overseas invasion of Japanese department stores and contributed much to the "Japan Boom" in the United States. The cardinal objective of the New York store is to acquaint the American citizens with the genuine and the traditional of Japan's handicrafts and industrial arts, thereby creating atmosphere of friendship and amity between the two countries. Few would doubt the success of Takashimaya in this particular respect and the future role of Takashimaya in New York is indeed heavy as well as rosy.

Head Office : No. 14, 6-chome, Nambashinchi,  
Minami-ku, Osaka



New York Takashimaya

## Commodity Market

**Iron & Steel:**—Market prices of steel products have continued dull since the start of 1960 with medium and small bars and shapes particularly in the background, although key manufacturers have been endeavoring to retain the list prices through the operation of the "collective open sales" system and other counter-measures. The movement of market prices of major steel products since November was as follows:

Month end	Bars (19 mm)	Shapes (6×65 mm)	Plates (12 mm)
1959—November	¥39,300	¥41,500	50,000
December	38,800	40,500	45,000
1960—January	37,500	38,000	47,500
February	37,300	38,500	47,000
March	37,300	38,500	46,500

The monthly production of iron and steel products has been increasing with crude steel particularly ahead, as follows:

### Monthly Production of Steels

(In 1,000 tons)

Crude Steel	Hot-rolled Ordinary Steel Products	
	Output	Stocks*
1959—September	1,458	1,106
October	1,575	1,195
November	1,589	1,184
December	1,603	1,178
1960—January	1,650	1,124
February	1,674	1,188
		822

\* Makers and wholesalers inclusive.

Source: Japan Iron & Steel Federation.

With new plants and furnaces planned in rapid succession, the production of iron and steel products is bound to leap further with the production targets for fiscal 1960 (starting April) set at 11,770,000 tons for pig iron (as compared with 10,059,000 tons in fiscal 1959), 19,570,000 tons for crude steel (18,233,000), 14,000,000 tons for ordinary steel products (12,806,000 tons), and 970,000 tons for special products (943,000 tons), according to production schedules submitted by manufacturers to the Ministry of International Trade & Industry. Meanwhile, Japan's exports of steel products in calendar 1959 aggregated 1,805,000 tons, almost equal to calendar 1958 shipments at 1,837,000 tons in quantity, but the total export value stood at \$290,000,000, eclipsing 1958's \$270,000,000 and topping the past peak of \$275,000,000 in 1955. Japanese steel manufacturers have placed the export goals in fiscal 1960 at 1,356,500 tons for ordinary steel products (1,242,000 tons in fiscal 1959), and 5,000 tons for semi-finished products (45,000 tons). Whether the set goals may be attained, however, is considered problematic in view of the general decline of export prices on the world markets, particularly in steel-producing countries in Europe. With the domestic demand for steel expected to continue upward, active equipment expansion projects are planned. Although the domestic production of pig iron rose 28.0% in 1959, it was not enough to cope with the 37.0% gain of crude steel, and contracts for the imports of some 746,600 tons of pig iron were concluded in 1959. The number of blast furnaces which stood at 31 in 1959 will be increased to 52 in 1960. Inclusive of other steel-making equipments, plant-equipment investments by 56 major Japanese steel manufacturers in fiscal 1960 will aggregate ¥216,550 million, up some ¥50,000 million over the estimated fiscal 1959 spending at ¥166,170 million.

**Raw Silk:**—Raw silk started March in a dull tone with the quotation (current-month delivery) low at a little below ¥3,000 per kg. The market, however, began to recover gradually later with the price back to around ¥3,155 toward the close of

March. With the supply-demand balance due to tighten in the lean-delivery season in May through June, the market will continue stiff for some time. In the meantime, the Raw Silk Price Stabilization Council on March 31 announced the decision to set the maximum and minimum prices of raw silk at ¥3,335 and ¥2,335 per kg.

**Cotton Yarn:**—The cotton yarn market, which stood comparatively firm in March with the quotation (30s: current-month delivery) up from the month's low of ¥177.2 to ¥189.5, proved rather dull in April. The hesitation on the part of processors to make early restocking endeavors was one of the dampers to the market. Another deterrent to the market was the increasing tendency among subcontractor-weavers to ally themselves with bigger interests which has worked to reduce the volume of their yarn purchases at their own risks. Exports of cotton goods have continued fair, but the yarn inventories have been on the hike despite the dwindling stocks of fabrics, another impact on the yarn prices in the market. Meanwhile, the Japan Cotton Spinners Association reported that the March production of cotton yarns totalled 227,590 bales, declining 11,677 bales from the February output. The March production comprised: pure cotton yarn, 221,691 bales (down 11,900 bales); mixed-spun cotton yarn, 1,833 bales (up 55 bales); cotton-spun rayon mixed yarn, 1,445 bales (up 338 bales); other yarns, 2,921 bales (down 170 bales).

**Woollen Yarn:**—Woollen yarn prices have continued strong since January. With the price (current-month delivery) low at ¥1,325 per lb. in January, it climbed to ¥1,374 in February, rose to ¥1,449 in March and further hiked to ¥1,482 in the early part of April. In the absence of particular dampers or stimulants, however, no change in the basic keynote of the woollen yarn market was in evidence, although a gradual improvement has been noted in the supply-demand balance. The outlook, however, is not unconditionally rosy, as the certain increase in wool purchases upon the progress of import liberalization and the positive advance of synthetic fibres will offer formidable obstacles sooner or later.

**Chemical Fibres:**—The rayon filament yarn prices, which marked time in March, began to stiffen somewhat from the early part of April with the quotation (current-month delivery) rising to ¥178.00 from the March low at ¥170.00. With weavers apparently ready to start purchases for April-June operations, the market is bound to continue buoyant. Equally upward were the quotations of spun rayon yarns which leaped to around ¥110.00 in late March from the month-start low at ¥106.50. Dwindling stocks and a new inquiry from Indonesia (for about 15,000,000 lbs.) were the two major stimulants.

Meanwhile, the Japan Chemical Fibres Association reported that the March production of chemical fibres amounted to 46,238 tons, increasing 4.1% over the February output. On the list of March gainers, outstanding were acetate staple (up 33.2%), acetate yarn (up 26.7%), nylon (up 13.5%), and polyvinyl chloride (up 16.4%).

### March Production of Chemical Fibres

(In metric tons)

	March 1960	Indices (Feb.=100.0)
Rayon filament yarn	7,177	104.0
Cupra ammonium yarn	1,202	107.4
Rayon staple	24,705	100.7
Acetate Yarn	978	126.7
Acetate staple	349	133.2
High-tenacity rayon	2,158	104.3
Vynylon	1,809	108.9
Nylon	3,373	113.5
Vinyliden	258	100.4
Acrylonitriles	1,880	105.3
Polyvinyl chloride	411	117.4
Tetoron	1,847	113.1
Polyethylene	91	112.3
Total	45,238	104.1

Source: Japan Chemical Fibres Association.

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## Company Notes

### New Peak for Steel Output (Yawata Iron & Steel Co.)

The production of iron and steel products at the Yawata Works of Yawata Iron & Steel Co., Ltd., in fiscal 1959 (April, 1959 through March, 1960) reached an all-time peak, with pig iron at 2,958,966 tons, crude steel at 4,335,877 tons and hot-rolled ordinary steel products at 3,361,471 tons.

### Diesel Locomotives to Thai (Hitachi, Ltd.)

Hitachi, Ltd. has concluded a contract with the National Railways of Thailand for the delivery of 25 diesel electric locomotives valued at about ¥1,300 million. The new Thai order comprises 10 diesel locomotives for passenger trains (authorized capacity, 950 h. p.; weight, 72 tons with the maximum speed of 90 kms. per hour) and 15 diesel locomotives for freight trains (ditto with the maximum speed of 70 kms. per hour). The delivery is scheduled to be made in November, this year. It is recalled that five diesel locomotives of the same type were delivered to the Thai National Railways by Hitachi in 1958.

### For Land Machinery (Harima Shipbuilding & Engineering)

With the object of making a positive advance in the production of land machinery under a 10-year expansion plan, Harima Shipbuilding & Engineering Co., Ltd. has announced a divisional reorganization. In the annual sales of the company, the shipbuilding division generally accounts for the overwhelming portion of about 85.0% in contrast to 15.0% for the land machinery division. Under the 10-year plan, the company will endeavor to have the annual sales equally divided between the two divisions. To that end, the company will erect new land machinery plants in Central Japan and Hokkaido.

### Largest Diesel Engine Built (Mitsubishi Nippon Heavy Industries, Ltd.)

Mitsubishi Nippon Heavy Industries, Ltd. made a trial operation of a new MAN diesel engine (12-cylindered: 22,000 h.p.), the largest in the world, at its Yokohama shipyard on March 30. The new diesel engine, with each cylinder 84 cm in diameter and 160 cm long, will be attached to a giant tanker (73,000 w/t) to be built for Olympus Shipping Co. A 9-cylindered diesel engine of the same type (16,500 h.p.) was completed by the same company last year to equip a 40,300-ton tanker completed by the company for Mitsubishi Shipping Co. at the close of 1959.

### Knowhow Export to Italy Signed (Mitsubishi Rayon Co.)

Mitsubishi Rayon Co., Ltd. has signed a provisional contract with Sic Edison Co. (a subsidiary to Edison Electric Co. of the U.S.) for the export of technology pertaining to the production and processing of methacrylic resin. It is recalled that Kurashiki Rayon some time ago concluded contracts for the exports of technology for manufacturing Poval, an intermediate material for Vynylon.

### Australian Knowhow for Sensitized Paper (Riken Optical Industries, Ltd.)

Riken Optical Industries, Ltd. has completed the conclusion of a contract with the Australian Government for the induction of Australian knowhow for manufacturing certain business machines and color sensitized paper. The Australian Government owns patents for such knowhow. Under the contract, Riken Optical Industries is exclusively authorized to manufacture and sell in Japan the products covered by the patents.

### Polyester Resin Production Up (Takeda Pharmaceutical Industries)

Takeda Pharmaceutical Industries, Ltd. has applied to the Ministry of International Trade & Industry for permission to induct from overseas technological knowhow for the manufacture and processing of polyester resin. According to Takeda's plan, the company expects to induct knowhow concerned from Donald Frederick Osmar (U.S.) with the object of boosting the annual production of polyester resin from the present 600 tons to 900 tons during 1960 and further to 1,800 tons in 1961.

### Smaller Diesel Truck (Isuzu Motor Co.)

A new small-type diesel-engined truck "Elf" (loading capacity, 2 tons) has been placed on the market by Isuzu Motor Co., Ltd. This is the smallest diesel-engined (2,000 cc) truck made in this country. The company marketed a gasoline-engined truck of the same type under the same name some time ago.

### Medium-Size Tanks for Defense Agency (Mitsubishi Nippon Heavy Industries)

Mitsubishi Nippon Heavy Industries, Ltd. has completed the manufacture of two medium-sized tanks (35 tons: STA-3 and STA-4) by order of the Defense Agency. The manufacture of the new tanks was made possible with the collaboration of Japan Steel Works, Ltd., which takes charge of the manufacture of guns with which the tanks are equipped. The new medium-size tanks are so constructed as to operate

efficiently under specific topographical conditions in this country. It is understood that the Defense Agency will have more than 10 such tanks manufactured by Mitsubishi Nippon Heavy Industries annually in and after 1961 to replace about 700 tanks leased by the U.S. Forces.

### Light Oil U.S.-Bound (Maruzen Oil Co., Ltd.)

Maruzen Oil Co., Ltd. has concluded a contract with Mobile Overseas, Ltd. (U.S.) for the annual export of 90,000 tons of light oil. Under the contract, the export shipments of Japanese light oil will be made to the east coast of the United States for the first time, as the past shipments of light oil by the same company have so far been destined solely for the west coast.

### Crane Sales to India (Ishikawajima Heavy Industries)

Ishikawajima Heavy Industries, Ltd. has concluded contracts for the exports of various cranes valued at ¥1,300 million to India. The contracts resulted from a series of international tenders held in India for cranes to be used at ports, power stations and steel works. Included in the contracts concluded are cranes bound for the Ports of Bombay and Calcutta.

### Water Wheels to Mexico (Tokyo Shibaura Electric)

Tokyo Shibaura Electric Co., Ltd. has received an order from the Electric Power Board of the Mexican Government for two sets of 50,000 H.P. water wheels to be used by the Santa Rosa power station in Mexico. The contract was awarded to Tokyo Shibaura Electric through an international bidding held in 1958, at which 14 leading electric machinery makers participated from all parts of the world. The two water wheels ordered are for the fall of 83.3 metres and are worth about ¥200,000,000 with the delivery deadline set at 19 months for the first and 20 months for the second. Tokyo Shibaura Electric has so far received five Mexican orders for water wheels.

### New Cellophane Casting Machine (Mitsubishi Shipbuilding & Engineering)

A new-model cellophane casting machine designed for specific cellophanes will be manufactured by the Hiroshima shipyard of Mitsubishi Shipbuilding & Engineering Co. for Nippon Kako Seishi Co. The major features of the new machine are: cellophane manufacturing speed, 15-50 metres per minute; width of cellophane, 1,000 mm; daily production capacity, 2 tons. The shipbuilding company has been manufacturing cellophane casting machines through a technical tieup deal with Bon Cohon Co. (U.S.).

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## Book Review

**Nihon no Tekko Sangyo**—(Japan's Iron & Steel Industry)  
(In Japanese) Compiled by Seiji-Keizai Kenkyusho (Politico-Economic Study Institute) and Published by Toyo Keizai Shinpo-Sha. Pp. 225. Price: ¥300.

Japan's iron & steel production in 1959 stood on the high level of 16 million tons—precisely double the pre-war peak and placing 5th among the world's leading steel manufacturing countries (after only the U.S., U.S.S.R., West Germany and England). The total production in terms of value on the other hand, is tantamount to about 40% of the total production of manufacturing industries. The number of those working in iron & steel industry also accounts for about 40% of the total number of workers in manufacturing industries as a whole. Of Japan's total exports in the fiscal 1958, steel and steel products including steel ships and machinery accounted for a third. The current book is a meticulous survey and analysis of these and other interesting facts and characteristics of Japan's post-war steel industry. Some of the highlights of the book concern the following three problems.

1) Before the war, the now-defunct Nippon Seitetsu (semi-Government organization) held a lion's share of Japan's steel industry with such Zaibatsu-backed enterprises as Japan Steel Tube, Kawasaki Steel, Sumitomo Metal and Kobe Steel Works holding secondary position to the giant steel company. After the war, Nippon Seitetsu were divided into two corporations—Yawata and Fuji, while other steel companies carried out large-scale facilities innovation programs. The result is a severer competition among Japan's steel companies.

2) At the same time, small- and medium-sized steel corporations have gradually become affiliated with one or other of the above-mentioned giant steel makers.

3) While in the pre-war days, steel corporations relied heavily on the military demands, in the post-war days, demands for such purposes as economic recovery, durable consumer goods and exports have replaced the military demands.

4) Introduction of superior foreign techniques in the hope of building up competitive strength on the international markets has been energetically promoted after the war and the result in the fact that Japan's present steel-making facilities being no inferior to those in the highly advanced foreign countries.

(K.Y.)

**Economic Development—Theory, History, Policy:** by Gerald M. Meier and Robert E. Baldwin. Published by Charles E. Tuttle Co., Tokyo, 1960. Pp. 588. Price: \$3.05 or ¥1,100.

Few topics are more timely and more vital than that covered by this work, and the authors have done an excellent job of analyzing the problem from all aspects—theoretical, historical and political. The non-economic aspects are examined as well as the economic ones.

The book is divided into four parts. The first part outlines the various theories of economic development, extracted from the over-all economic systems of the Classicists, the Marxists, the neo-Classicalists, the Schumpeterians and the post-Keynesians. Stress is given to both the similarities and the differences between the various theories, and to their relationship to conditions of the world at the time of their conception.

The second part gives an historical outline of world economic development, centering on Great Britain, from just before the Industrial Revolution down to the present day. By showing how various factors, both domestic and international, have interacted in the past, and with what effects, an insight is given as to what can be expected in the future.

Part Three treats of accelerating development in the underdeveloped countries, giving the basic characteristics of countries in this category, outlining the obstacles to—and requirements for—their development, and discussing the policy issues—both domestic and foreign—involved in increasing their rate of development and the prospects for such development. The outlook given is hopeful, but emphasis is laid on what must be done by both the rich countries and by the underdeveloped countries themselves.

The last part concerns itself with the equally important problem of maintaining development in the rich countries, discussing the reasons for having continued development as a goal, outlining the character of their economies, and giving the requirements, policies and prospects for their further growth. The outlook here is even more hopeful than in the case of the poor countries, but the relationship of the one to the other is also pointed out.

Three appendices list select readings in the socio-cultural aspects of development, development programs and plans, and case studies of development, for those who want to pursue the subject farther.

(D.W. Vance)

**Oxford Economic Atlas of the World.** Second Edition. Published by Oxford University Press, Oxford, 1959. Pp. 152. Price: 42s net.

This is the revised and much fuller edition of its famous predecessor, which has been enjoying a giant-sized popularity among the scholars and the businessman all over the world. The contents and the statistics are greatly rejuvenated with statistics up to 1957 included. In the texts, statistics as recent as the start of 1959 are included to assure every reader complete scholastic satisfaction. In this kind of reference book, the newness—or the recentness, if the reviewer can use the immature word—is not necessarily the first prerequisite. However, the efforts of editors, who tried to give the most recent information on the world's economic status, can not be too highly applauded.

(K.U.)

**Far Eastern Economic Review 1960 Yearbook.** It has always been a tradition of the Far Eastern Economic Review to publish a special edition at the end of each year. This time, however, the editors of the influential journal expanded the special edition into a compact and to-the-point yearbook. After taking a general review of 1959 in the Far East area, the yearbook continues on with some reflections on the prospects for 1960 in the same area. This is succeeded by a Round-Up of the 1959 Headlines at a glance, in alphabetical order of countries, and some special articles on the area's most pressing problems. All in all, this is an ideal volume for the general readers as well as for the expert students of Asian affairs.

(A.T.)

**British Industries & Their Organization** (4th Edition) By G. C. Allen. Published by Longmans, Green & Co., London. Pp. 332. Price: 25s net.

The first edition of this world famous textbook on British industries made its debut as early as 1933, while the richly revised post-war edition appeared in 1957. The current edition is in fact the 4th revised edition with data as near as 1958 appended. Treated in full in the current edition are such urgent topics as the nationalization of industries and the rapid decline of coal and textile industries. The major strength and the usability of this book lie in its compact and easy-to-understand way in which information about each of the major industries is given to the reader. The current book is still a giant among other publications as the introduction to the important subject of industries.

(U.K.)

## Books about Liberalism in Britain

**The Unservile State** (Essays in Liberty & Welfare) Edited by George Watson. Published by George Allen & Unwin. Pp. 342. Price: 21s. net.

**The Liberal Future** By Joseph Grimond. Published by Faber & Faber. Pp. 196. Price: 12s 6d net.

**The Liberal Case** By Roger Fulford. Pp. 176. Price: 2s 6d net.

The Liberal renaissance has been one of the most remarkable features of British political life during the past few years. Under the leadership of Mr. Grimond, the Liberals have become an influential group in the House of Commons. Now, of course, the crucial question is—what next? Have the Liberals something positive to offer—a workable alternative to both Socialism and Conservatism? By perusing these three books, you can get a panoramic view of what Liberalism in Britain actually is and possibly make a fairly accurate answer to the above questions. Few books offer more mental food to chew than these three for the students in politics and the political leaders in Japan and elsewhere.

(A.T.)

## 1. Business Indices

Items	Units & Standards	1957 Ave.	1958 Ave.	1959 Ave.	1959			1960			1959 ***
					Oct.	Nov.	Dec.	Jan.	Feb.	March	
<b>Finance &amp; Banking</b>											
Treasury Acct. with the Public (1) . . . . .	¥100,000,000	2,597	2,510	1,334	1,243	1,118	1,110	1,326	777	524	301
Bank of Japan Accounts (2) End of Year or Month	¥100,000,000	8,371	8,910	10,294	8,113	8,423	10,294	8,740	8,659	8,766	7,563
Bank Note Issues . . . . .		5,519	3,793	3,379	3,388	2,431	3,379	2,978	3,647	4,256	4,122
Loans Total . . . . .		3,872	5,360	6,448	4,327	5,359	6,448	5,027	4,217	5,289	4,301
Government Bonds											
Postal Savings and Postal Transfer Savings (3) End of Year or Month		7,654	8,625	8,939	9,254	9,277	9,732	9,824	..	..	8,526
All Banks Account (2) End of Year or Month		55,048	64,840	74,136	69,245	71,053	74,136	73,134	73,235	76,606	66,845
Deposits . . . . .		50,244	58,129	68,028	64,617	65,956	68,028	68,219	68,807	70,271	59,806
Loans . . . . .											
Clearings of Bills (4)	1,000 bills	161,191	166,838	183,445	15,673	15,136	21,500	12,202	15,918	..	13,416
Number . . . . .	¥100,000,000	511,712	569,395	571,905	49,062	45,215	59,747	42,334	50,541	..	43,709
Amount . . . . .											
Interest Rate on Loan of All Banks (2) . . . . .	Per Diem Rate for ¥100	2,304	2,333	2,223	2,209	2,209	2,223	2,236	2,246	..	2,260
<b>Stocks</b>											
Average Share Price (Tokyo Stock Exchange) (5)	Yen	535.57	571.97	821.52	934.99	948.98	923.78	932.08	986.08	1,028.07	742.27
Dow Jones**		114.10	110.36	146.39	158.54	160.42	152.36	150.34	158.12	163.20	138.55
Simple Arithmetic Means . . . . .											
Tokyo Stock Exchange (5)	Million Stock	7,692	11,684	21,201	2,914	2,329	1,823	1,669	1,635	2,511	1,573
Total Turnovers . . . . .	%	7.14	6.66	4.54	4.11	4.13	4.70	4.43	4.24	4.18	4.79
Investment Yields . . . . .											
<b>Prices</b>											
Bank of Japan Wholesale Price Indices (2)	1952=100	105.3	98.4	99.5	101.0	101.8	101.6	101.5	101.1	101.0	98.6
Total Average . . . . .		107.5	97.8	98.8	100.2	100.6	100.3	100.0	99.7	99.6	98.1
Producer Goods . . . . .		102.2	99.3	100.3	102.1	103.4	103.4	103.5	102.9	102.9	99.3
Consumer Goods . . . . .											
Consumers Price Indices (6)											
All City Average . . . . .	1955=100	103.5	103.0	104.1	105.9	105.3	105.3	106.2	106.3	108.3	102.8
Tokyo . . . . .		103.9	104.9	106.3	107.8	107.9	108.0	108.8	108.9	108.3	105.4
Tokyo Retail Price Indices (2) . . . . .	1952=100	104.4	103.2	102.9	104.5	103.2	103.4	104.2	104.7	104.8	102.6
Tokyo Living Cost Indices (7) . . . . .	1946. 11=100	869.3	871.7	879.1	901.8	894.0	890.8	908.1	906.5	912.0	873.8
Foreign Trade Price Indices (1)											
Exports . . . . .	1953=100	97.4	90.7	90.4	91.8	92.9	93.2	93.6	94.1	..	88.9
Imports . . . . .		101.4	88.4	83.7	83.0	82.5	82.7	82.8	83.4	..	84.3
<b>Foreign Trade</b>											
Exports & Imports (1)	Million Dollars	2,858	2,877	3,457	345	293	394	218	318	348	279
Exports . . . . .		4,284	3,033	3,598	298	290	373	331	364	435	295
Imports . . . . .		..	(→) 1,426	(→) 156	(→) 141	48	3	21	(→) 113	(→) 46	(→) 87
Balance . . . . .											
Foreign Trade Volume Indices (1)											
Exports . . . . .	1953=100	231.5	239.9	284.9	332.1	286.2	382.7	213.7	..	..	184.4
Imports . . . . .		172.4	141.8	178.9	181.9	175.1	222.5	193.5	..	..	142.4
Foreign Exchange Accounts (2)	Million Dollars	3,643	3,510	4,046	372	346	397	316	349	..	322
Total Receipts . . . . .		4,175	2,999	3,565	307	318	371	309	335	..	248
Total Expenditure . . . . .		..	(→) 533	511	481	65	28	7	14	..	74
Balance . . . . .		..	*524	*861	1,322	1,250	1,291	1,322	1,328	1,321	1,361
Foreign Currency Reserve (1)											974
<b>Production &amp; Inventories</b>											
Producer Delivery Indices (8)	1955=100	143.3	144.2	178.0	189.6	192.3	206.0	192.2	213.3	..	162.6
All Industries . . . . .		144.5	144.8	179.7	191.7	194.7	208.2	193.9	217.1	..	164.6
Mining & Manufacturing . . . . .		146.4	147.0	185.0	197.4	201.3	215.2	200.4	225.1	..	168.5
Manufacturing . . . . .		163.2	160.8	170.2	178.8	177.0	177.3	178.8	181.2	..	159.0
Raw Material Inventories Indices (8) . . . . .											
Producer Goods Inventories Indices (8)											
Mining & Manufacturing . . . . .		126.5	152.7	152.3	158.4	160.7	158.1	161.6	173.0	..	157.9
Sellers Inventories Indices (8) . . . . .		145.1	154.6	154.1	158.7	158.0	165.1	170.2	..	..	150.6
Construction Works Started (9)											
For Private Living . . . . .	1,000 SM	22,413	23,194	..	2,076	2,104	2,883	1,294	..	..	1,422
Others . . . . .		21,332	19,970	..	2,199	2,133	3,198	1,650	..	..	1,558
Order Received for Machinery (10) . . . . .	¥100,000,000	..	4,783	6,918	671	629	793	669	676	..	413
Warehouse Inventories (8 Biggest Cities) (11) . . . . .	1,000 tons	3,017	2,719	..	2,876	..	..	..	..	..	2,648
Railroad Carloadings (12) . . . . .		179,992	167,047	177,757	15,726	15,595	16,346	14,115	15,568	16,817	14,750
All Japan Department Store Sales (8) . . . . .	¥million	309,950	338,370	388,421	32,579	33,786	76,816	26,152	26,005	35,500	30,668
<b>Labor, Household Budget</b>											
Employment Indices (Regular Employees) (13)	1955=100	122.7	125.4	136.3	141.1	142.0	142.7	142.6	143.1	..	126.9
Manufacturing . . . . .		4,284	4,312	4,370	4,548	4,456	4,248	4,101	4,202	..	4,068
Employment Total (6) . . . . .		1,607	1,547	1,537	1,757	1,611	1,378	1,280	1,292	..	1,199
Agricultural Employment . . . . .		2,677	2,765	2,833	2,790	2,873	2,869	2,821	2,910	..	2,867
Non-Agricultural Employment . . . . .		..	52	56	58	41	44	55	51	..	71
Total Unemployment (6) . . . . .											
Regular Employee Cash Wage Total (13)											
Manufacturing . . . . .	Monthly - yen	19,259	19,180	20,782	17,777	18,649	40,869	18,129	..	..	16,998
Regular Employees Real Wage Indices (13)		..	109.3	112.8	121.0	101.7	107.3	235.1	103.4	..	99.7
Manufacturing . . . . .											
Wage Earners Household Budget (All Cities) (6)											
Income . . . . .	Monthly - yen	32,664	34,663	36,873	32,600	32,988	74,834	30,784	31,752	..	29,180
Expenditure . . . . .		28,946	30,638	32,126	30,836	30,575	53,478	29,540	29,386	..	26,485
Consumer Standards (10)											
All Cities . . . . .	1955 F.Y.=100	109.8	116.9	123.1	116.8	120.6	187.9	111.2	116.8	..	112.3

Source: (1) Finance Ministry. (2) Bank of Japan. (3) Ministry of Postal Services. (4) Tokyo Clearing House. (5) Tokyo Stock Exchange. (6) Statistics Bureau, Prime Minister's Office. (7) The Oriental Economist. (8) Ministry of International Trade & Industry. (9) Ministry of Construction. (10) Economic Planning Agency. (11) Transportation Ministry. (12) Japanese National Railways. (13) Labor Ministry. Notes: \*as of Dec. \*\*New version of Dow-Jones average is in effect since January, 1959. For the continuity of indexes, however, The Oriental Economist carries the old version re-calculated and adjusted from the new version. \*\*\* Corresponding months a year ago. ▲ Revised at source.

## 2. Treasury Accounts with the Public

(In \$100,000,000)

(Ministry of Finance.)

Items	Fiscal 1958			Fiscal 1959							
	Oct.-Dec.	Jan.-Mar.	Total	Apr.-June	July-Sept.	Oct.-Dec.	Jan.-Mar.	Total	Jan.	Feb.	Mar.
<b>General Account</b>											
Revenue											
Taxes	2,485	2,681	10,151	2,620	2,880	3,012	3,400	11,913	997	894	1,509
Monopoly	211	246	1,176	396	344	226	257	1,226	58	▲ 106	93
Others	115	105	459	193	105	118	105	521	27	34	44
Total	2,811	3,032	11,786	3,329	3,329	3,356	3,762	13,660	1,082	▲ 1,034	1,646
Expenditure											
Security Forces	126	124	506	103	116	108	81	409	▲ 38	▲ 20	23
Defense Agency	354	254	1,159	395	231	390	298	1,318	59	▲ 91	148
Public Works Expenditure	345	312	1,175	230	235	421	415	1,294	25	▲ 79	311
Local Finance Equalization Grants	613	282	2,566	1,171	724	647	378	2,919	36	136	206
Compulsory Education Expenditure	288	228	952	261	192	346	178	977	66	▲ 64	48
Others	1,367	925	4,397	1,137	913	1,375	1,023	4,449	▲ 254	▲ 306	463
Total	3,093	2,125	10,755	3,297	2,411	3,289	2,273	11,366	478	696	1,199
Balance	▲ 282	907	1,031	▲ 88	918	69	1,389	2,294	604	▲ 338	447
<b>Special Accounts and Others</b>											
Foodstuff Control	▲ 1,411	804	64	953	▲ 445	▲ 1,462	781	▲ 174	▲ 281	▲ 201	299
Trust Funds Bureau	295	147	504	214	32	645	71	753	▲ 8	▲ 101	▲ 22
Industrial Investment	19	▲ 90	43	44	30	44	33	23	7	▲ 10	50
Road Improvement	—	—	—	187	161	291	149	789	17	▲ 40	92
National Railways and Nippon Telegraph & Tel. Public Corporation	236	316	123	97	181	329	244	6	213	82	51
Finance Corporation	399	▲ 310	1,295	310	255	441	311	1,286	60	▲ 76	175
Others	156	275	64	147	356	119	639	967	▲ 388	▲ 127	124
Total	2,516	1,142	1,591	46	262	3,066	1,308	2,074	790	▲ 385	133
Adjustment Items	26	52	15	118	8	22	61	40	▲ 19	▲ 19	61
Foreign Exchange	▲ 686	▲ 350	1,935	473	411	495	132	1,513	49	▲ 34	177
Balance	▲ 3,456	1,751	2,510	▲ 725	237	▲ 3,470	2,626	▲ 1,333	1,326	▲ 776	524

## 3. Monthly Report of All Banks

(January 1960 Excluding Bank of Japan)  
(In million yen)

(Bank of Japan)

	Debenture Issuing Banks (3)	City Banks (13)	Local Banks (64)	Trust Banks (6)	Total (86)	Leftover from Pre- mo. (86)	Month-end, previous year (87)	Trust Account (16)			
<b>Deposits</b>											
Current Deposits	24,114	822,788	215,551	52,075	1,114,529	1,125,570	1,142,778	—			
Ordinary Deposits	9,472	704,369	457,797	28,620	1,200,259	1,255,014	1,056,742	—			
Deposits at Notice	38,344	352,287	109,107	49,862	549,601	633,153	459,535	—			
Time Deposits	17,644	2,386,847	1,368,006	87,174	3,859,674	3,825,308	3,171,861	—			
Special Deposits	4,802	176,071	59,533	11,955	252,363	244,477	208,074	—			
Instalment Savings	—	44,159	136,374	3,550	184,084	184,173	171,564	—			
Deposits for Tax Payment	526	11,306	3,712	249	15,594	10,756	8,779	—			
Deposits of Gov't and Gov't Agencies	511	135,912	—	—	136,423	134,133	113,963	* 244,116			
Other Deposits	42	891	—	—	934	1,106	876	** 37,316			
Total	95,258	4,634,635	2,350,083	233,488	7,313,465	7,413,694	6,333,977	—			
Borrowed Money	15,184	416,428	9,983	8,279	449,875	468,410	376,718	—			
Due to the Bank of Japan Only	3,221	261,480	5,146	1,730	271,579	305,154	317,138	—			
Borrowings for Settlement of Import Bills	797	35,061	101	—	35,960	34,142	37,213	—			
Call Money	2,027	264,546	13,858	10,397	290,828	269,156	287,281	—			
Cash and Deposits	17,527	685,585	142,917	35,235	881,265	938,569	961,668	4,781			
Cash in Hand	2,804	15,100	28,839	5,901	52,647	75,259	28,668	1,863			
Deposits with Domestic Money Organs	11,260	901	98,758	12,918	123,837	140,524	82,848	84,891			
Call Loans	—	—	—	—	—	—	—	—			
Securities	1,635	34,027	8,555	440	4,658	45,430	45,468	53			
Government Bonds	4,085	57,572	30,059	288	92,006	90,893	86,145	1,887			
Local Government Bonds	12	1,737	—	—	1,750	1,748	2,778	—			
Foreign Bonds	—	—	—	—	—	—	—	—			
Corporate Debentures	35,430	516,390	338,889	19,062	909,772	890,810	705,603	5,962			
Stocks	16,792	116,540	38,234	7,819	179,386	172,118	142,969	7,361			
Other Bonds	350	729	1,321	4,212	6,614	8,021	4,465	29			
Total	58,307	726,998	417,061	31,821	1,234,188	1,209,072	987,431	15,274			
Advance	—	—	—	—	—	—	—	—			
Discount Bills	16,455	1,476,994	570,308	109,329	2,173,038	2,159,215	1,705,898	13,398			
Bank Acceptance Bills	—	922	14,104	47	15,074	17,974	20,699	—			
Commercial Bills	16,455	1,475,010	554,515	109,273	2,155,255	2,138,107	1,682,653	—			
Documentary Bills	—	1,011	1,688	8	2,708	3,133	2,545	—			
Advances against Guarantee	745,759	2,464,333	1,286,985	95,904	4,592,983	4,592,076	4,032,607	561,956			
Loans on Bills	59,264	2,397,909	1,226,779	92,851	3,777,164	3,793,990	3,361,681	141,316			
Loans on Deeds	686,049	26,816	45,019	2,327	760,212	746,768	617,962	152,283			
Overdrafts	85	39,607	15,186	726	55,606	51,317	52,964	—			
Loans for Settlement of Import Bills	1,116	53,181	1,113	491	55,923	51,520	56,483	—			
Total	763,332	3,994,458	1,858,427	205,726	6,821,944	6,802,811	5,794,990	575,354			

Note : \* Money in trust total Loan \*\*trust. Figures in parentheses denote the number of banks surveyed.

## 4. Bank of Japan Ten-day Report

(In million yen)

(Bank of Japan)

Items	1960		1959		End of Month	December 1959			January 1960		
	Mar. 10	Mar. 20	Mar. 31	Mar. 31		Loans Total	For Equipments	For Co. of ¥10 Million or less	Loans Total	For Equipments	For Co. of ¥10 Million or less
LIABILITIES					Manufacturing total . . . . .	3,295,389	484,811	862,285	3,313,623	498,877	857,425
Bank Notes Issued . . . . .	781,648	788,255	876,681	756,397	Foodstuffs . . . . .	264,383	16,722	129,191	264,366	16,983	127,537
Bankers' Deposits . . . . .	63,575	39,506	45,306	11,171	Textiles . . . . .	639,724	64,113	214,521	634,035	66,090	210,085
Government Deposits . . . . .	43,452	53,314	199,406	161,846	Wood and Wood Products . . . . .	123,853	4,070	103,822	126,649	4,224	105,510
Other Deposits . . . . .	12,563	12,102	12,132	10,952	Printing & Publishing . . . . .	195,764	41,142	31,164	197,078	42,183	31,156
Reserves Against Contingencies . . . . .	46,028	46,028	49,128	43,749	Chemicals . . . . .	417,591	100,635	44,410	421,245	103,626	44,577
Other Liabilities . . . . .	45,371	45,778	48,015	55,634	Glass & Ceramics . . . . .	123,087	23,957	23,042	125,007	24,540	23,276
Capital Stock . . . . .	100	100	100	100	Iron & Steel . . . . .	342,627	94,511	30,301	347,999	97,314	28,519
Reserve Funds . . . . .	27,115	27,115	27,115	23,527	Non-ferrous Metals . . . . .	102,276	13,216	17,921	103,249	13,702	18,015
Total . . . . .	1,019,675	1,012,201	1,257,887	1,063,380	Machinery . . . . .	172,895	12,778	72,102	175,536	13,136	72,834
ASSETS					Electric Machinery & Tools . . . . .	275,651	39,296	31,019	281,539	40,531	31,355
Bullion . . . . .	25,521	25,521	25,521	447	Trans. Machinery & Tools . . . . .	246,274	25,005	28,587	246,269	26,169	28,343
Cash . . . . .	7,777	8,065	7,660	7,425	Agriculture . . . . .	15,809	904	15,493	17,065	964	16,722
Discounted Bills . . . . .	60,381	66,698	59,809	43,576	Forestry & Hunting . . . . .	14,331	90	11,463	14,161	86	11,281
Loans . . . . .	363,727	369,591	365,847	368,713	Fishery . . . . .	78,845	23,557	23,989	80,010	23,898	23,891
Foreign Exchange Loans . . . . .	—	—	—	—	Mining . . . . .	159,519	35,632	16,430	159,580	36,118	16,362
Loans to Gov't . . . . .	—	—	—	—	Metal Mining . . . . .	39,375	9,283	1,094	38,899	9,659	1,116
Government Bonds . . . . .	323,979	300,750	528,988	430,130	Coal Mining . . . . .	98,886	19,399	9,358	98,658	19,528	9,278
Foreign Ex. Accounts . . . . .	200,447	200,551	200,660	142,926	Construction . . . . .	171,705	5,866	68,836	177,707	6,212	71,877
Agencies Accounts . . . . .	11,856	15,780	40,254	29,114	Wholesale & Retail . . . . .	2,002,219	31,970	932,420	2,022,753	32,325	349,602
Other Assets . . . . .	25,984	25,243	25,894	33,894	Finance Insurance . . . . .	1,815,966	17,838	800,545	1,832,077	18,264	814,601
Total . . . . .	1,019,675	1,012,201	1,257,887	1,063,380	Real Estate . . . . .	106,659	236	12,610	103,139	276	13,080
					Trans. & Communications . . . . .	345,782	169,484	38,757	347,555	171,368	38,813
					Railways . . . . .	70,052	26,413	297	70,822	27,009	289
					Shipping . . . . .	162,784	112,164	14,129	163,859	112,908	14,332
					Public Utilities . . . . .	252,186	237,199	325	251,287	236,822	348
					Services . . . . .	145,224	43,940	92,234	145,783	44,876	92,030
					Local Public Corporation . . . . .	39,651	12,758	—	44,332	12,668	—
					Others . . . . .	88,156	6,339	88,134	91,202	6,391	91,202
					Total . . . . .	6,766,338	1,070,321	2,182,736	6,821,373	1,089,129	2,203,126

## 5. Outstanding Loans to Industries by All Banks

(In million yen)

(Bank of Japan)

Year & Month	Tokyo			Osaka			End of Month	Postal Savings			Postal Transfer Savings	Total
	Rate	Over-Month-End (sen)	Unconditional (sen)	Balance at the End of the Month (million yen)	Rate	Over-Month-End (sen)	Unconditional (sen)	Balance at the End of the Month (million yen)	Receipts	Payments	Balance	
1959: Oct. . . . .	2.30	2.30	205,999	2.30	2.30	45,792	1959: Aug. . . . .	63,723	59,883	900,847	7,713	908,560
Nov. . . . .	2.30	2.30	247,674	2.30	2.30	57,053	Sept. . . . .	64,165	61,987	903,024	16,294	919,319
Dec. . . . .	2.30	2.30	214,165	2.30	2.30	54,259	Oct. . . . .	84,352	71,310	916,067	9,336	925,403
1960: Jan. . . . .	2.30	2.30	221,256	2.30	2.30	54,781	Nov. . . . .	61,804	60,059	916,986	9,847	926,843
Feb. . . . .	2.30	2.30	208,600	2.30	2.30	54,524	Dec. . . . .	131,380	86,961	962,225	10,937	973,162
Mar. . . . .	2.30	2.30	188,713	2.30	2.30	49,902	1960: Jan. . . . .	76,125	58,687	978,802	9,740	988,542
1959: Mar. . . . .	2.40	2.40	123,326	2.40	2.40	40,408	1959: Jan. . . . .	80,138	52,399	845,600	7,005	852,606

## 8. Bank Clearings

(In billion yen)

(Tokyo Clearing House)

Year & Month	All Clearing		Tokyo		Osaka		Month	Gov't Bonds	Local Gov't Bonds	Financial Debenture		Industrial Debenture
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount				Interest Bearing	Discount	
1959: June . . . . .	(1,000)	4,796	(1,000)	2,276	(1,000)	1,043	1959: June . . . . .	6.324	7,720	7,621	6,643	7,894
July . . . . .	16,781	6,601	3,396	2,307	3,169	993	July . . . . .	—	7,720	7,621	6,643	7,900
Aug. . . . .	15,686	4,608	6,372	2,187	3,169	978	Sept. . . . .	—	7,720	7,621	6,643	7,909
Sept. . . . .	14,976	4,541	5,932	2,146	3,110	978	Oct. . . . .	6.324	7,720	7,621	6,643	7,905
Oct. . . . .	15,187	5,041	6,047	2,468	3,129	1,017	Nov. . . . .	—	7,709	7,621	6,643	7,902
Nov. . . . .	15,673	4,906	6,304	2,376	3,238	1,012	Dec. . . . .	—	7,691	7,621	6,643	7,913
Dec. . . . .	15,136	4,522	6,038	2,186	3,129	923	1960: Jan. . . . .	6.324	7,682	7,621	6,643	7,899
1960: Jan. . . . .	21,500	5,975	8,490	2,884	4,458	1,208	Feb. . . . .	—	7,665	7,621	6,643	7,911
Feb. . . . .	12,202	4,233	4,906	2,061	2,347	850	1959: Feb. . . . .	—	7,720	7,621	6,643	7,883
1959: Feb. . . . .	15,918	5,054	6,287	2,464	3,287	1,052						

Note: Table 6: How to Compute Per Diem Interest: In addition to the usual annual rate in percentage, computing interest by per diem rates is widely in vogue in Japan. This rate is expressed in sen (1/100 yen) as interest per day on ¥100 of principal. To find the usual annual rate from the per diem rate, multiply the latter by 365. For example, a per diem rate of 1.0 sen on a principal ¥100 gives an interest of 365 sen or ¥3.65 per year or 3.65% per annum.

## 10. Government Bonds

(In million yen)

(Bank of Japan)

End of Month	Government Bonds			Foreign Exchange Fund Bills			Food Notes		
	Issue	Redeption	Balance	Issue	Redeption	Balance	Issue	Redeption	Balance
1959: Oct.	605	1,119	456,038	84,002	47,006	209,002	258,015	148,886	306,181
Nov.	389	431	455,996	153,000	133,000	229,000	133,005	58,166	381,020
Dec.	7,789	3,354	460,430	127,000	119,000	237,000	307,052	285,982	402,090
1960: Jan.	493	141	460,782	115,000	139,998	212,002	74,039	147,977	328,152
Feb.	564	215	461,131	111,046	131,002	192,046	244,054	286,814	285,392
1959: Feb.	1,242	1,236	398,780	80,000	100,000	134,088	204,017	221,064	280,017

## 11. Corporate Debentures &amp; Public Corporation Bonds

(In million yen)

(Industrial Bank of Japan)

End of Month	Banking Bonds			Corporate Debentures			Public Corporation Bonds		
	Issue	Redeption	Balance	Issue	Redeption	Balance	Issue	Redeption	Balance
1959: Sept.	31,955	15,634	766,974	16,100	4,984	501,795	54,836	21,329	1,508,383
Oct.	35,899	17,497	785,376	15,745	4,025	513,531	58,498	21,947	1,544,951
Nov.	34,912	17,380	802,908	17,957	4,526	526,562	59,436	22,214	1,582,173
Dec.	39,984	19,524	823,368	16,495	3,733	539,687	63,310	23,292	1,622,155
1960: Jan.	33,531	16,479	840,421	14,860	5,214	549,333	55,044	21,971	1,655,229
Feb.	33,087	15,656	857,853	14,750	4,168	560,919	55,218	20,217	1,691,234
1959: Feb.	24,510	10,692	659,201	15,640	3,023	416,841	44,040	14,051	1,280,176
									3,890
									335
									204,133

## 12. Contracts &amp; Investments of Mutual Life Insurance Companies

(In million yen)

(Mutual Life Insurance Association)

End of Month	Mid-Month Contract Amounts	End-Month Contract Amounts	Loans Total	Call Loans	Negotiable Securities			Real Estate	Cash & Deposits	Others
					Total	Debentures	Stocks			
1959: October	193,884	5,021,068	324,015	7,115	132,214	10,423	119,911	44,683	3,692	7,229
November	272,695	5,222,238	330,873	8,743	133,612	10,930	120,999	45,842	4,462	7,774
December	227,404	5,335,657	341,297	7,004	137,225	10,998	124,352	47,860	4,117	8,330
1960: January	152,783	5,398,930	343,618	7,323	142,509	11,291	129,152	49,594	3,842	8,243
1959: January	130,018	4,346,602	256,833	4,910	117,522	8,219	107,269	38,546	3,895	6,393

## 13. Contracts &amp; Investments of Non-Life Insurance Companies

(In million yen)

(Non-Life Insurance Association)

End of Month	Mid-Month Contract Amounts	End-Month Contract Amounts	Loans Total	Call Loans	Negotiable Securities			Real Estate	Deposits	Cash	Asset Total (Inc. Others)
					Total	Debentures	Stocks				
1959: Oct.	2,217,343	12,060,697	23,504	4,800	69,758	4,097	60,979	18,074	30,713	458	167,113
Nov.	2,292,733	12,306,177	23,559	4,782	70,659	4,223	61,673	18,222	31,174	552	170,460
Dec.	2,606,076	12,394,470	23,972	2,794	71,953	4,254	62,633	18,537	32,323	283	171,961
1960: Jan.	2,195,367	12,726,163	23,928	4,097	74,546	4,318	65,244	18,573	30,725	576	174,367
1959: Jan.	1,794,452	10,796,165	22,086	5,359	62,676	2,519	55,857	17,469	28,180	585	155,780

## 14. Stock Issue Plan &amp; Paid-Up Capital

(In million yen)

(Ministry of Finance)

Year & Month	Stock Issue Plan				Paid-Up Capital							
	Over ¥50 million	Under ¥50 million	Total	No. of Effective Cases	Under ¥50 million	Under ¥50 million	Total	No. of Effective Cases				
1959: August	43	16,630	346	8,150	389	24,780	29	14,998	333	7,044	362	24,998
September	41	37,032	390	11,031	431	48,063	22	10,156	344	10,000	366	18,819
October	39	27,168	356	10,168	395	37,336	59	45,736	388	8,663	447	59,389
November	30	27,299	329	10,425	359	37,724	16	15,080	347	13,653	363	23,516
December	61	75,341	324	6,364	389	81,705	66	46,383	435	10,481	501	56,864
1960: January	44	22,753	314	6,301	358	29,054	26	30,017	230	4,336	256	34,353
February	58	31,757	427	8,391	485	40,149	53	55,491	167	3,387	220	58,877
1959: February	31	15,096	294	3,115	325	18,211	13	8,310	240	3,240	253	11,549

## 15. Tokyo Wholesale Price Indices

(1952=100)

(Bank of Japan)

Year & Month	Total Average	Metal & Machinery	Textiles	Agricultural Products	Fuels	Building Materials	Chemical Products	Sundries	By Uses		
									Producer's Goods	Capital Goods	Consumer's Goods
1959: Nov.	101.8	101.2	80.2	108.5	108.4	133.7	79.0	90.9	100.6	115.5	103.4
Dec.	101.6	100.9	78.8	108.5	108.9	133.3	79.5	91.6	100.3	115.2	103.4
1960: Jan.	101.5	100.6	78.2	108.5	109.7	132.9	79.6	91.5	100.0	115.1	103.5
Feb.	101.1	100.7	76.3	108.3	109.7	132.8	79.7	91.2	99.7	115.2	102.9
Mar.	101.0	101.0	75.6	108.6	108.8	132.5	80.0	91.4	99.6	115.0	102.9
1959: Mar.	98.6	98.4	74.7	105.4	108.1	128.7	78.4	88.5	98.1	112.1	99.3

Notes: Food Notes in Table 10 do not include Korean food notes. Public Corporation Bonds are the total of National Railways Bond and Telephone & Telegraph Corporation Bonds. \* Revised at source.

## 16. Tokyo Retail Price Indices

(1952=100)

(Bank of Japan)

Year & Month	Total Average	Agricultural Products	Textile Products	Metal Products	Wood Products	Fuel	Miscellaneous	*Total Average	Total Average (1934-6=100)
1959: October	104.5	114.1	84.6	95.2	105.1	122.8	97.3	100.8	31,400.6
November	103.2	111.5	84.7	95.2	105.3	124.2	97.2	101.3	31,009.9
December	103.4	111.2	84.7	95.2	105.8	127.6	98.9	101.5	31,070.0
1960: January	104.2	112.6	86.4	95.0	105.8	127.7	97.1	101.7	31,310.4
February	104.7	113.6	86.4	94.8	105.9	127.9	97.0	101.7	31,460.7
March	104.8	113.6	86.6	95.0	106.5	127.9	97.0	101.6	31,490.7
1959: March	102.6	112.4	81.7	93.9	105.4	119.9	95.4	99.5	30,829.7

## 17. Consumer Price Indices

(1955=100)

(Bureau of Statistics, Prime Minister's Office)

		Total Average	Food	Staple Food	Nonstaple Food	Housing	Light & Fuel	Clothing	Miscellaneous
		1959: September	104.4	102.1	101.0	102.8	122.1	105.4	108.6
All Cities	1959: October	105.9	104.3	101.2	106.1	123.7	106.5	97.7	108.8
	November	105.3	102.7	100.7	102.8	124.4	108.4	98.3	108.9
	December	105.3	102.0	100.4	102.9	125.0	109.5	98.5	109.7
1960: January	106.2	103.0	100.4	104.6	125.4	112.0	97.9	110.8	
February	106.3	103.9	100.3	106.0	125.6	112.4	96.4	109.9	
1959: February	102.8	101.2	100.8	101.4	118.8	107.6	92.8	106.3	
1959: September	106.5	104.8	104.5	104.9	127.7	101.1	99.5	108.8	
Tokyo	1959: October	107.8	106.4	104.5	107.2	128.5	101.7	102.4	109.7
	November	107.9	105.6	104.6	106.1	129.5	103.4	104.5	109.1
	December	108.0	105.1	104.3	105.4	130.3	104.0	105.1	109.9
1960: January	108.8	105.5	104.3	106.0	130.4	108.3	104.4	111.5	
February	108.9	106.3	104.0	107.4	130.8	108.9	102.8	111.0	
March	108.3	105.4	104.4	105.9	131.1	108.6	100.9	111.4	
1959: March	105.4	104.1	104.9	103.8	124.7	103.4	96.7	107.1	

## 18. Labor Population Survey

(In 10,000)

(Labor Ministry)

Year & Month	Total Population	Population 15 years old and over					Agriculture & Forestry		Non-Agricultural Industry		
		Total	Total of the following three columns	Labor Force			Not in Labor Force	Not at Work	At Work	Not at Work	
				Agriculture & Forestry	Non-Agricultural Industries	Totally Unemployed					
1959: Sept.	9,297	6,488	4,367	1,610	2,757	45	1,969	19	1,589	33	2,725
Oct.	9,305	6,498	4,548	1,757	2,790	41	1,904	17	1,740	30	2,760
Nov.	9,311	6,506	4,456	1,611	2,843	44	1,999	15	1,596	27	2,817
Dec.	9,318	6,513	4,248	1,378	2,869	46	2,210	23	1,355	28	2,841
1960: Jan.	9,326	6,525	4,101	1,279	2,821	55	2,363	28	1,252	32	2,790
Feb.	9,334	6,536	4,202	1,292	2,910	51	2,275	..	..	..	..
1959: Feb.	9,243	6,402	4,068	1,199	2,867	71	2,256	28	1,162	32	2,838

## 19. Labor Disputes &amp; No. of Participants

(1,000 Participants)

(Labor Ministry)

Year & Month	Dispute Total		Accompanied by Disputes						Business Control	
	No. of Cases	No. of Participants	Total		Strikes		Work Slowdown		No. of Cases	No. of Participants
			No. of Cases	No. of Participants	No. of Cases	No. of Participants	No. of Cases	No. of Participants		
1959: July	294	(142)	144	183	117	158	34	31	2	100
August	214	(86)	81	165	65	124	23	43	2	107
September	173	(70)	88	72	48	21	46	65	2	77
October	206	(83)	94	199	63	99	41	132	1	77
November	382	(266)	274	325	159	182	147	188	1	30
December	458	(261)	286	274	184	151	126	142	1	30
1960: January	214	(52)	51	64	32	22	..	..	..	..
1959: January	144	(44)	33	16	30	9	5	8	—	—

## 20. Mining-Manufacturing Indices

(1955=100)

(Statistics Bureau, MITI)

Year & Month	Composite	Public Utilities	Mining-Manufacturing	Mining	Manufacturing	Iron & Steel	Non-ferrous Metals	Machinery	Ceramics	Chemicals	Oil & Coal	Rubber	Hides & Leathers	Paper & Pulp	Textiles
1959: July	179.6	161.6	181.0	119.3	186.2	180.0	175.3	313.6	158.1	172.3	190.5	200.4	126.0	166.1	141.1
Aug.	179.2	155.6	181.0	111.1	186.9	177.6	172.7	318.7	160.2	173.0	212.2	192.0	124.9	164.3	136.6
Sept.	186.0	154.7	188.4	120.9	194.0	180.5	176.4	342.1	165.1	177.3	200.7	206.6	131.9	167.7	151.2
Oct.	189.6	163.1	191.7	123.6	197.4	192.9	183.9	348.5	174.3	177.6	230.1	214.1	133.2	174.4	144.6
Nov.	192.3	161.2	194.7	115.5	201.3	195.4	178.6	356.6	179.1	175.0	233.5	210.4	123.3	173.5	153.3
Dec.	206.0	177.3	208.2	124.2	215.2	201.4	197.3	387.9	187.1	181.4	257.2	226.5	124.6	179.3	156.7
1960: Jan.	192.2	170.0	193.9	116.6	200.4	189.0	195.2	340.0	164.8	177.2	243.1	204.6	100.6	167.1	145.8
Feb.	213.3	164.2	217.1	121.8	225.1	191.3	195.3	388.0	178.3	178.0	246.7	222.2	117.4	173.0	155.6
1959: Feb.	162.6	137.2	164.6	118.5	168.5	142.5	153.6	249.6	133.8	145.5	172.7	161.9	118.9	143.4	126.8

Notes: \* except perishable vegetables. Figures in parentheses in Table 19 are not in 1,000. Figures in parentheses in Table 20 are the numbers of companies surveyed. ▲ Revised. 1) 15 years and over.

## 21. Production by Major Items

Items	In	1959			1960			Items	In	1960			1959			
		December	January	February	December	January	February			December	January	February	December	January	February	
Energies																
Electricity	Mil. KWH	7,774	7,399	7,158	Thrasher	Units	12,203	12,362	15,024							
Coal	1,000 Tons	4,143	3,916	4,025	Hulling Machine	"	3,519	3,108	3,465							
Cokes	Tons	989,760	1,011,293	958,662	Rice-Wheat Cleaning Machine	"	10,842	6,482	5,450							
Gas (city use)	1,000 CM	443,124	464,170	436,687	Alternating Current Motor	KW	391,138	377,578	410,550							
Crude Oil	KI	43,637	44,651	42,600	Mercury Rectifier	"	43,709	49,855	45,432							
Natural Gas	1,000 CM	54,019	56,452	57,051	Transformer	1,000 KVA	2,010	1,543	1,774							
Gasoline	KI	519,316	461,226	472,240	Electric Fan	Units	138,476	141,870	139,855							
Petroleum	"	1,219,781	1,199,923	1,239,116	Electric Washer	"	119,802	98,948	106,744							
Lubricants	"	59,009	48,066	51,923	Electric Refrigerator	"	63,950	56,651	51,062							
Kerosene	"	167,002	157,396	169,544	Telephone	"	96,833	96,420	102,672							
Light Oil	"	185,726	166,488	163,667												
Minerals																
Gold Ores	KG	726	639	667	Automatic Switchboard	Circuits	72,482	56,428	64,505							
Silver Ores	"	18,582	16,738	17,569	Radio Set	1,000 Sets	1,060	896	954							
Copper Ores	Tons	7,506	7,264	7,478	Television Set	Sets	321,031	277,763	302,609							
Lead Ores	"	27	3,163	3,195	Electric Tube for Receiving	1,000 Pcs.	13,240	11,660	13,081							
Zinc Ores	"	12,543	12,018	12,259	Industrial Meter	Units	11,300	10,902	12,227							
Sulphuric Iron	1,000 tons	297	290	293	Electric Bulb	1,000 Pcs.	13,266	10,931	12,479							
Iron Ores	Tons	107,319	88,693	98,234	Special Electric Bulb	"	9,926	7,649	8,812							
Sulphur	"	20,227	18,573	19,998												
Lime Stone	1,000 tons	2,919	2,453	2,549												
Non-ferrous Metals																
Electric Gold	"	861	771	769												
Electric Silver	"	26,381	25,548	25,725												
Electric Copper	Tons	18,596	19,143	18,877												
Lead	"	228	6,112	6,125												
Zinc	"	14,065	13,492													
Electric Tin	KG		27,855	88,817												
Quick Silver	"		63,322	67,625												
Aluminium	"		9,687	9,317												
Rolled Aluminium	"		9,432	9,977												
Rolled Copper	"		19,253	20,920												
Electric Cables	"		17,195	16,193												
Iron & Steel																
Pig Iron	Tons	898,399	899,917	847,413												
Ferro-alloys	"	29,735	23,369	18,000												
Steel	"	1,602,808	1,649,831	1,676,087												
Open Hearth Steel	"	1,160,226	1,191,436	1,196,558												
Converter Steel	"	122,420	146,260	154,482												
Electric Furnace Steel	"	320,162	312,135	325,047												
Forged Steel	"	16,834	15,644	18,366												
Cast Steel	"	29,258	25,668	27,009												
Hot Rolled Steel Materials	"	1,177,603	1,170,666	1,230,210												
Steel Shape (medium)	"	25,150	21,584	25,645												
Steel Bars (small)	"	12,716	12,959	13,075												
Wire Rod	"	87,321	74,939	86,348												
Steel Sheet (thick)	"	199,870	216,164	225,083												
Steel Sheet (thin)	"	64,212	60,069	63,977												
Steel Band (wire)	"	238,553	258,272	263,976												
Rolled Special Steel Materials	"		86,889	87,792	95,796											
Steel Tube	"		84,321	83,757	88,727											
Cold Rolled Steel Sheet	"		127,306	153,590	141,564											
Galvanized Steel Sheet	"		76,483	67,928	72,191											
White Sheet	"		34,173	33,898	34,413											
Machinery & Machine Tools																
Steam Boiler	T/H	1,604	336	373												
Steam Turbine	KW	—	11,950	16,892												
Water Turbine	"	13,500	32,063	100,000												
Gasoline Engine	"	53,958	54,425	55,700												
Oil Burners	"	31,656	28,265	30,879												
Diesel Engines	"	71,389	68,916	66,047												
Bearings	Tons	2,103	2,002	2,214												
Transmitter	"	955	999	982												
Machine Tools	"	3,525	2,700	2,840												
Rolling Machine	"	9,946	10,695	9,843												
Crane	"	2,097	1,960	2,167												
Winches	"	1,127	1,026	1,135												
Conveyor	"	2,834	2,608	3,190												
Pump	"	2,934	2,545	3,370												
Refrigerator	"	906	736	888												
Spinning Machine	Units	1,134	1,049	1,066												
Weaving Machine	"	3,333	3,758	3,743												
Sewing Machine	1,000 Units	249	214	242												
Cultivator	"	6,199	4,650	6,823												
Hand Tractor	"	9,773	10,192	14,778												

Note ▲ Provisional figures. ▲ Revised.

## 22. Machinery Orders (In million yen) (Economic Planning Board)

Items	1959						1960	1959
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Jan.
By Products								
Prime Movers	4,419	8,187	9,727	4,607	4,219	15,174	18,063	6,721
Heavy Electric Machinery	12,131	12,379	17,330	15,127	13,561	18,331	15,718	6,796
Communication Apparatus	4,088	4,283	5,622	4,623	5,833	6,142	3,965	2,805
Industrial Machinery	25,576	23,276	27,067	24,658	31,298	27,866	24,964	14,456
Machine Tools	2,158	2,329	2,951	3,353	3,536	3,493	2,715	1,853
Rolling Stocks	11,825	2,495	1,578	2,450	2,687	7,318	2,303	2,841
Ships	11,505	4,623	16,049	16,549	6,119	5,391	5,172	5,664
Total of the Above	71,702	57,552	80,324	71,367	67,253	83,715	72,900	41,136
Iron & Steel Frames	1,905	1,624	2,293	1,544	3,441	3,853	1,524	2,036
Bearings	2,369	2,580	2,247	2,303	2,370	2,362	2,500	1,454
Electric Wires & Cables	7,500	7,500	9,593	11,929	11,031	9,488	9,568	9,804
Total	11,774	11,704	14,133	15,776	16,842	15,703	13,592	11,294
By Customers								
Foreign Sources	7,949	6,188	11,355	10,110	4,959	10,035	4,031	3,015
Government	15,635	7,716	8,115	7,388	9,982	12,006	7,043	6,595
Private	41,937	36,486	52,270	46,015	44,979	54,688	53,300	25,977
Manufacturing	24,644	23,572	30,443	22,688	29,378	26,903	24,092	13,779
Textiles	4,574	3,636	3,577	2,435	3,478	3,154	3,001	1,535
Chemicals	6,841	7,118	9,229	6,511	5,903	6,796	6,088	3,858
Iron & Steel	7,815	6,145	11,557	6,117	12,065	9,547	8,072	3,684
Machinery	2,871	4,112	3,812	4,328	4,594	4,376	3,540	1,725
Shipbuilding	170	255	207	220	190	257	206	412
Others	2,373	2,306	2,016	3,115	3,148	2,773	3,185	2,565
Non-Manufacturing	17,293	12,914	21,827	23,327	15,601	27,785	29,208	12,198
Transportation	4,548	2,609	9,545	11,516	4,028	3,110	3,700	3,374
Electric Power	3,497	3,569	5,133	4,440	3,671	16,899	17,921	3,511
Coal Mining	691	740	654	545	596	793	576	245
Agriculture, Forestry, Fishery	1,599	2,001	2,329	2,376	2,171	1,789	2,204	1,639
Others	4,958	3,995	4,166	4,450	5,135	5,194	4,807	3,429
Sales Agents	2,535	2,487	2,849	3,522	3,019	2,620	2,565	1,654
Total Orders	68,056	52,877	74,589	67,035	62,939	79,349	66,939	37,241
Orders Outstanding	721,730	722,563	733,492	746,302	746,185	762,944	785,459	707,650
Sales Total	50,865	53,446	65,990	64,258	67,042	62,118	52,073	40,455

23. Total Power Generation & Consumption (10<sup>6</sup> KWH)

(MITI)

Items	1959										1960	1959
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Jan.	
Total Power Generation	7,800	8,055	7,743	8,319	7,992	7,979	8,390	..	..	..	..	7,226
Hydraulic Power	6,274	6,355	5,168	6,075	5,562	5,080	5,465	..	..	..	..	4,326
Thermal Power	1,526	1,700	2,575	2,244	2,430	2,990	2,925	..	..	..	..	2,899
Generation by Electric Industries	6,799	7,018	6,727	7,281	7,023	6,966	7,340	..	..	..	..	6,317
Hydraulic Power	5,719	5,787	4,659	5,526	5,084	4,585	4,973	..	..	..	..	3,921
Thermal Power	1,080	1,231	2,068	1,755	1,939	2,382	2,367	..	..	..	..	2,407
Generation by Power Companies	6,004	6,151	6,051	6,457	6,224	6,273	6,537	7,183	7,774	7,399	5,767	
Hydraulic Power	4,945	4,940	4,051	4,767	4,353	3,968	4,253	3,631	3,571	3,461	3,430	
Thermal Power	1,059	1,211	2,000	1,690	1,871	2,304	2,284	2,900	3,550	3,289	2,337	
Power from other Sources	803	885	685	825	791	695	790	652	653	649	553	
National Railways & Household Use	1,001	1,037	1,015	1,038	969	1,013	1,050	..	..	..	..	898
Hydraulic Power	555	568	508	549	478	495	492	..	..	..	..	405
Thermal Power	446	469	507	489	491	517	558	..	..	..	..	493

## 24. Coal Supply &amp; Demand (1,000 metric tons)

(MITI)

Year & Month	Production	Stock Deliveries			Deliveries			Others	Home Consumption	Month-end Stocks		
		Coal Dealers	Large User Factories	Adjust-ment	Total	Deliveries	of which Exports			Total	Coal Dealers	Large User Factories
1959: September	4,080	107	117	2	4,185	4,192	—	7	4,302	11,844	5,549	6,295
October	4,160	317	124	29	4,448	4,465	5	17	4,320	11,651	5,232	6,419
November	3,818	777	99	2	4,593	4,629	0	36	4,692	10,775	4,455	6,320
December	4,143	764	414	8	4,899	4,938	3	39	5,310	9,597	3,691	5,906
1960: January	3,916	415	620	6	4,337	4,472	1	135	4,956	8,562	3,276	5,286
February	4,032	719	455	2	4,749	4,809	4	60	5,200	7,388	2,557	4,831
1959: February	4,174	3	522	3	4,180	4,311	2	131	3,466	11,475	4,592	6,882

## 25. Supply &amp; Demand of Pig-iron and Steel Materials (In tons)

(MITI)

Year & Month	Pig iron			Steel Materials			Special Steel
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	
1959: July	803,079	140,982	368,141	1,033,272	757,164	316,918	69,795
August	792,972	140,123	338,412	1,069,805	765,810	340,810	53,776
September	804,500	131,150	330,230	1,105,769	792,310	369,954	73,143
October	887,414	123,085	345,114	1,195,339	863,392	399,282	54,850
November	900,959	146,102	344,544	1,184,338	873,672	407,495	74,291
December	898,399	147,249	392,975	1,177,603	887,516	379,495	86,889
1958: December	667,036	121,060	394,374	820,999	621,222	357,278	47,062
							39,215
							35,831

Notes: 80 machinery companies together with 18 iron frame, bearing & electric wire companies are surveyed for Table 22. Table 24 does not include import coal. Others in "Demand" column is the balance of sales volume by un-authorized sales agents plus dust coal output. "At Collieries" column includes the coal stocks on the seaboard mines. ▲ Revised at source. Table In 22, the number of companies surveyed was increased from 80 to 127 retroactively to 1957.

## 26. Supply &amp; Demand of Textile Goods (In tons for years; 1,000 sq. m. for textile) (MITI)

Year & Month	Cotton Yarn			Rayon Yarn			Staple Fiber Yarn			Cotton Textiles		
	Production	Delivery	Inventory	Production	Delivery	Inventory	Production	Delivery	Inventory	Production	Delivery	Inventory
1959: Aug. . . .	32,950	21,968	20,021	9,939	6,982	12,710	17,246	14,459	9,145	215,081	218,503	424,604
Sept. . . .	43,748	27,567	22,531	10,139	7,107	12,462	19,271	15,842	9,554	244,172	243,625	428,665
Oct. . . .	40,531	25,911	22,875	10,285	6,474	13,114	17,992	15,004	9,765	222,042	230,471	402,370
Nov. . . .	44,173	23,362	23,480	10,261	6,664	14,079	17,873	14,523	10,047	244,638	245,166	404,691
Dec. . . .	43,970	28,267	25,094	10,521	7,286	13,019	18,464	15,330	10,365	253,212	253,693	405,415
1960: Jan. . . .	40,682	26,248	26,286	11,065	6,674	13,475	16,814	13,968	10,256	238,406	235,496	416,939
1959: Jan. . . .	32,646	21,581	20,934	8,511	5,773	10,274	14,987	12,538	13,202	203,814	203,826	475,179

## 27. Supply &amp; Demand of Paper and Pulp

(MITI)

Year & Month	Pulp (long ton)				Paper, Western Style (in ton)				Cardboard & Japanese Style Paper (in ton)			
	Production	For Paper	Deliveries	In Stock	Production	Deliveries	Self-Consumption	In Stock	Production	Deliveries	Self-Consumption	In Stock
1959: June . . . .	245,927	146,607	100,500	62,231	181,527	172,518	5,839	54,340	316,483	298,375	13,594	79,643
July . . . .	257,001	148,779	105,482	64,971	188,681	174,079	5,960	62,982	329,087	303,711	13,900	91,119
Aug. . . .	253,873	145,221	108,332	65,291	184,409	172,904	6,075	68,412	324,024	302,851	13,660	98,625
Sept. . . .	259,126	147,084	106,088	71,245	184,365	176,667	6,443	72,667	328,032	310,490	13,995	102,172
Oct. . . .	271,186	158,874	111,593	71,964	193,815	180,035	6,729	79,718	345,776	322,540	15,920	109,488
Nov. . . .	272,931	158,957	116,571	69,367	189,693	180,574	6,813	82,024	345,077	325,288	15,159	114,123
Dec. . . .	282,101	164,457	115,214	71,779	196,352	186,527	7,019	84,830	356,894	339,113	15,893	116,011
1960: Jan. . . .	263,113	154,352	108,489	72,051	181,500	171,521	6,476	88,330	333,495	309,134	14,041	126,331
1959: Jan. . . .	219,033	127,394	92,950	71,450	162,131	150,775	5,336	53,733	275,273	258,002	11,873	73,608

## 28. Supply &amp; Demand of Soda and Ammonium Sulphate

(In metric tons)

(MITI)

Year & Month	Ammonium Sulphate			Soda Ash			Caustic Soda		
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1959: June . . . .	236,599	179,341	260,711	36,203	36,973	7,787	60,430	52,758	18,649
July . . . .	235,767	176,484	312,187	36,467	33,572	9,153	62,817	50,154	20,323
Aug. . . .	219,389	182,220	340,301	38,478	37,422	8,626	63,893	50,442	22,247
Sept. . . .	200,869	194,074	340,199	38,158	35,589	9,629	62,965	53,576	20,973
Oct. . . .	193,135	200,960	343,574	40,555	38,707	9,907	68,239	56,520	22,167
Nov. . . .	195,225	163,285	366,452	39,430	39,094	8,750	69,639	57,319	23,445
Dec. . . .	195,632	181,016	370,263	40,868	40,138	7,885	69,782	60,070	22,203
1960: Jan. . . .	214,277	204,339	370,856	42,655	39,165	9,522	68,865	55,800	24,494
Feb. . . .	191,477	260,348	292,212	40,916	39,884	8,847	65,168	57,741	21,948
1959: Feb. . . .	207,393	246,829	296,571	34,957	32,783	11,295	51,783	42,466	21,099

## 29. Supply &amp; Demand of Cement &amp; Sheet Glass

(MITI)

Year & Month	Cement (in 1,000 tons)				Sheet Glass (in 1,000 boxes)					
	Production	Consumption	Sales	Inventories at Month-end	Production	Consumption	Sales	Inventories		
							Exports	Domestic	Total	
1959: July . . . .	1,393.2	6.5	1,447.4	370.6	916.1	93.5	159.6	589.6	749.2	728.1
Aug. . . .	1,419.1	7.4	1,432.9	349.1	938.4	94.0	164.5	606.3	770.8	800.1
Sept. . . .	1,511.8	9.1	1,539.8	312.4	860.5	100.6	143.2	663.5	806.6	764.8
Oct. . . .	1,658.9	9.2	1,641.9	319.6	973.8	113.3	129.4	815.9	945.3	697.5
Nov. . . .	1,650.2	7.3	1,656.9	305.6	994.9	107.4	150.7	837.7	988.4	609.8
Dec. . . .	1,710.1	7.2	1,717.0	291.4	1,089.4	131.3	151.0	853.0	1,003.9	577.6
1960: Jan. . . .	1,422.7	4.1	1,381.5	328.2	1,095.1	118.7	156.7	611.2	767.9	786.8
1959: Jan. . . .	1,080.3	1.8	1,057.2	321.4	865.6	87.7	147.2	549.9	697.1	762.3

## 30. Supply &amp; Demand of Rubber &amp; Vinyl Chloride Products

(In tons)

(MITI)

Year & Month	Rubber Goods					Vinyl Chloride Products				
	Production (A)	Sales (B)	Inventories at Month-end (C)	Delivery Rates (B/A)	Inventory Rates (C/A)	Production (A)	Sales (B)	Inventories Rates (C)	Delivery Rates (B/A)	Inventory Rates (C/A)
1959: July . . . .	15,335	15,133	6,447	99	42	11,234	10,775	6,405	96	57
Aug. . . .	14,748	14,812	6,420	101	44	12,007	11,412	7,026	95	58
Sept. . . .	15,788	5,811	6,340	100	40	12,978	12,907	7,089	99	55
Oct. . . .	16,479	16,288	6,511	99	40	13,640	13,515	7,160	99	52
Nov. . . .	15,963	16,018	6,429	100	40	13,556	13,749	6,892	101	51
Dec. . . .	17,003	17,640	5,913	104	35	14,891	14,865	6,956	100	47
1960: Jan. . . .	15,501	15,261	6,163	99	40	13,762	13,516	6,847	98	50
1959: Jan. . . .	11,382	11,328	5,973	99	53	9,089	9,197	6,136	101	68

## 31. Department Store Sales (In million yen)

(MITI)

By Month	No. of Stores	Total	Clothing	Personal Effects	Sundry	Household Utensils	Provisions	Restaurant	Services	Outside Store Sales	Others	Gift Certificates
1959: July . . . .	211	38,667	17,167	2,895	3,841	4,793	8,114	1,162	198	19	478	1,037
Aug. . . .	211	27,026	9,990	2,043	3,326	3,542	6,211	1,282	209	14	409	601
Sept. . . .	211	23,231	10,385	1,760	2,791	3,230	3,619	905	202	10	330	206
Oct. . . .	213	32,579	16,532	2,508	3,146	4,333	4,520	990	272	17	441	282
Nov. . . .	219	33,786	17,990	2,359	3,060	4,280	4,345	1,039	269	22	414	293
Dec. . . .	222	76,816	38,001	4,987	6,965	8,328	16,093	1,285	326	33	797	2,063
1960: Jan. . . .	223	26,152	12,153	1,838	3,287	2,956	4,375	1,003	212	15	312	281
1959: Jan. . . .	205	21,935	10,052	1,526	2,917	2,509	3,690	828	183	9	222	237

Notes: ▲ Revised at source.

Rates of conversion: 1,000 lb.=0.45359 tons for yarns; 1,000 sq. yds.=0.83613 sq. m. for textiles; 1 lb.=0.45359 kg. for papers.

## 32. Letters of Credit Opened and Received

(In \$1,000) (Ministry of Finance)

Year & Month	Exports				Imports			
	Dollars	Pounds Sterling	Open Account	Total	Dollars	Pounds Sterling	Open Account	Total
1959: May . . . . .	144,834	93,623	11,456	249,914	108,562	101,634	5,898	216,095
June . . . . .	150,499	90,696	5,585	246,782	91,359	109,160	4,796	205,316
July . . . . .	154,970	106,133	5,017	266,121	116,254	99,593	4,221	220,069
August . . . . .	142,487	105,928	11,826	260,242	97,778	91,436	1,209	190,424
September . . . . .	151,275	109,045	8,589	268,910	100,814	89,507	2,245	192,567
October . . . . .	158,621	100,455	4,452	263,530	116,312	98,395	7,792	222,500
November . . . . .	147,726	103,997	4,569	256,293	117,574	103,803	7,505	228,882
December . . . . .	177,043	108,600	8,611	294,255	159,748	124,847	9,456	294,053
1960: January . . . . .	150,805	97,423	6,473	254,702	110,077	95,613	7,625	213,315
February . . . . .	142,243	112,841	4,398	259,483	133,633	99,499	2,696	235,830
March . . . . .	186,944	136,418	7,602	330,965	135,957	113,771	14,259	263,989
1959: March . . . . .	149,414	110,176	7,096	266,687	99,746	112,643	9,203	221,599

## 33. Exports and Imports by Value

(Ministry of Finance)

Year & Month	Value (In \$1,000)			Value (In million yen)		
	Exports	Imports	Balance	Exports	Imports	Balance
1959: August . . . . .	301,479	290,290	11,189	108,533	104,505	4,028
September . . . . .	282,660	298,844	16,183	101,758	107,584	5,825
October . . . . .	345,447	297,582	47,865	124,361	107,130	17,231
November . . . . .	292,475	289,728	2,747	105,291	104,302	989
December . . . . .	394,275	372,826	21,449	141,939	134,217	7,722
1960: January . . . . .	217,617	330,744	113,127	78,342	119,068	40,726
February . . . . .	318,356	364,244	45,888	114,608	131,128	16,520
March . . . . .	348,083	435,297	87,214	125,310	156,707	31,397
1959: March . . . . .	279,006	295,476	16,470	100,442	106,371	5,929

## 34. Value of Export and Import by Economic Classification

(In \$1,000) (Ministry of Finance)

	Total	Foodstuffs		Crude Materials		Fabricated Basic Material		Finished		Others	
		Value	%	Value	%	Value	%	Value	%	Value	%
E x p o r t	1959: October . . . . .	345,447	100.0	31,389	9.1	13,372	3.9	53,074	15.4	246,065	71.2
	November . . . . .	292,475	100.0	21,484	7.3	12,063	4.1	52,353	17.9	205,186	70.2
	December . . . . .	394,275	100.0	27,797	7.0	11,500	2.9	57,003	14.5	297,098	75.4
	1960: January . . . . .	217,731	100.0	16,025	7.3	6,020	2.8	40,297	18.5	154,783	71.1
I m p o r t	1959: January . . . . .	174,575	100.0	16,080	9.2	4,628	2.7	42,237	24.2	111,037	63.6
	1960: January . . . . .	330,768	100.0	45,896	13.9	209,342	63.3	34,808	10.5	40,369	12.2

## 35. Exports and Imports by Continents\*

(\$1,000; Customs Bureau, Finance Ministry)

Year & Month	'58, Total	'59, Total	'59 Aug.	Sept.	Oct.	Nov.	Dec.	'60 Jan.	'59 Jan.	Continents	
										Value	%
E x p o r t	Total . . . . .	2,876,560	3,456,492	301,479	282,661	345,447	292,475	394,276	217,731	174,575	
Asia . . . . .	1,074,322	1,165,705	90,879	94,563	112,481	97,576	132,511	69,252	62,425		
S.E. Asia . . . . .	649,520	754,256	60,259	62,109	77,278	68,852	89,297	48,054	37,978		
Europe . . . . .	333,301	374,970	37,493	33,192	46,108	31,203	39,626	28,323	14,805		
N. America . . . . .	848,456	1,246,253	128,618	105,404	115,773	106,834	134,553	81,578	68,522		
S. America . . . . .	114,982	141,675	13,229	10,831	11,782	21,469	20,313	14,744	4,098		
Africa . . . . .	415,511	409,891	20,049	27,035	47,536	24,592	52,216	17,287	20,068		
Oceania . . . . .	89,771	117,897	11,209	11,636	11,764	10,799	14,963	6,505	4,657		
I m p o r t	Total . . . . .	3,033,125	3,599,491	290,291	298,844	297,582	289,728	372,826	330,768	240,533	
Asia . . . . .	982,448	1,168,853	93,460	88,545	102,408	100,323	117,353	110,910	80,151		
S. E. Asia . . . . .	427,073	579,164	50,601	47,978	50,525	48,534	59,011	56,615	36,350		
Europe . . . . .	268,654	364,599	28,087	30,532	27,822	27,498	35,986	30,174	23,977		
N. America . . . . .	1,356,682	1,488,878	119,040	125,821	112,204	107,203	154,457	135,025	100,351		
S. America . . . . .	80,687	108,380	10,534	12,405	14,678	10,360	14,665	8,123	5,429		
Africa . . . . .	83,737	128,295	12,106	11,122	10,916	12,487	11,993	11,732	7,714		
Oceania . . . . .	206,801	340,266	27,058	30,410	29,541	31,838	38,339	34,737	22,905		

## 36. Foreign Exchange Receipts and Payments by Month

(In 1,000 dollars)

(Bank of Japan)

Year & Month	Receipts			Payments			Balance
	Exports	Invisible	Total	Imports	Invisible	Total	
1959: Total . . . . .	3,164,296	881,494	4,045,790	2,855,046	709,698	3,564,744	481,046
1959: July . . . . .	275,163	78,144	353,307	246,437	52,591	299,028	54,279
August . . . . .	270,520	72,254	342,775	245,768	115,252	361,020	18,245
September . . . . .	285,037	74,763	359,800	250,836	57,878	308,714	51,085
October . . . . .	298,737	72,995	371,732	258,491	47,978	306,469	65,262
November . . . . .	279,772	65,653	345,425	267,548	50,320	317,868	27,556
December . . . . .	310,189	86,244	396,434	283,502	86,991	370,493	25,940
1960: January . . . . .	250,309	66,164	316,474	256,539	52,659	309,199	7,274
February . . . . .	272,955	76,382	349,338	273,190	62,071	335,261	14,077
1959: February . . . . .	228,811	92,835	321,647	200,334	48,118	248,452	73,195

Notes: \* includes optional cargoes in exports and imports from such special sources as pelagic fisheries. Japanese territorial waters, foreign territorial waters, and high seas in Imports. Figures in Tables 33, 34, 35 were subjected to annual readjustments. Hence the wholesale changes in these charts.

## 37. Exports and Imports by Country

(In 1,000 dollars)

(Ministry of Finance)

Settle- ment Area	Countries	Exports					Imports				
		Sept. 1959	Oct. 1959	Nov. 1959	Dec. 1959	Jan. 1960	Sept. 1959	Oct. 1959	Nov. 1959	Dec. 1959	Jan. 1960
	Total Exports or Imports . . .	282,661	345,447	292,475	394,276	217,731	298,844	297,582	289,728	372,826	330,768
0	Korea . . . . .	2,794	6,123	3,376	5,245	3,266	1,699	511	327	1,009	518
£△	China . . . . .	177	232	240	417	191	1,523	1,704	1,700	1,936	2,032
\$	Rukyu Islands . . . . .	5,414	7,439	7,503	8,479	4,802	1,198	1,517	1,006	1,531	1,674
£△	Hong Kong . . . . .	10,874	14,213	12,838	16,370	8,796	2,685	2,639	2,361	2,240	2,776
0	Formosa . . . . .	9,343	7,631	6,049	8,794	6,630	1,027	1,485	5,497	6,372	5,610
\$	South Viet Nam . . . . .	5,448	3,926	3,940	5,224	3,293	119	29	148	315	580
£△	Thailand . . . . .	7,299	10,282	9,612	12,251	6,386	1,821	2,187	3,502	5,914	6,255
£	Malaya Union . . . . .	1,463	1,862	2,014	2,935	1,653	15,315	15,245	14,728	16,948	14,159
£	Singapore . . . . .	5,516	6,171	6,718	10,066	5,707	910	1,063	782	692	508
\$△	Philippines . . . . .	7,452	15,372	9,367	11,085	6,039	11,182	11,113	11,576	13,670	11,528
\$△	British Borneo . . . . .	205	156	128	183	101	4,822	5,781	4,905	7,085	8,750
£△	Indonesia . . . . .	7,071	3,771	4,494	6,887	6,436	4,000	6,054	4,504	6,551	6,903
£	Burma . . . . .	5,699	6,414	5,904	6,611	2,250	183	917	629	628	631
£	India . . . . .	6,670	9,812	6,000	7,060	4,048	8,552	8,007	7,426	8,501	8,227
£	Pakistan . . . . .	1,574	2,648	3,476	5,495	1,635	1,854	2,177	1,530	1,898	3,323
£	Ceylon . . . . .	2,231	2,052	3,193	3,926	1,610	1,099	682	630	811	878
\$	Iran . . . . .	3,188	4,931	2,609	4,323	2,411	1,531	1,613	907	2,550	1,553
£	Iraq . . . . .	976	1,136	766	820	128	5,665	6,324	6,837	5,655	6,408
\$	Saudi Arabia . . . . .	828	826	766	1,646	611	7,413	11,166	10,604	9,492	11,354
0	Kwait . . . . .	1,606	1,275	1,376	1,915	613	10,140	14,428	13,822	14,895	13,158
£△	Sweden . . . . .	1,632	2,031	1,609	2,929	1,163	608	613	696	755	497
	Denmark . . . . .	789	913	833	1,337	4,103	417	450	244	332	514
£	United Kingdom . . . . .	11,447	16,034	6,898	10,692	5,701	8,588	5,734	7,698	9,319	7,310
£△	Netherlands . . . . .	2,616	2,178	2,904	4,320	1,660	2,515	3,099	2,023	2,280	2,577
\$	Belgium . . . . .	1,736	1,729	1,834	2,260	843	1,573	746	1,245	1,691	1,142
£△	France . . . . .	1,262	1,370	1,068	2,345	997	1,729	1,744	2,355	2,752	2,459
£△	West Germany . . . . .	3,704	5,229	5,300	5,677	2,976	8,116	8,921	6,874	10,136	8,883
	Switzerland . . . . .	2,851	3,703	2,506	2,751	1,516	1,694	2,046	1,741	3,019	2,516
£△	Italy . . . . .	1,504	2,026	1,432	1,900	674	2,302	529	1,008	790	547
\$	U.S.S.R. (in Asia zone) . . .	4,840	1,628	2,878	5,888	475	3,503	4,145	4,383	3,778	2,618
\$	Canada . . . . .	9,560	9,530	9,879	10,651	7,417	13,480	9,774	11,979	18,808	15,912
\$	U.S.A. . . . .	88,991	99,413	88,789	116,154	70,166	93,447	82,334	78,692	111,941	107,952
\$	Mexico . . . . .	1,379	1,366	1,991	1,521	796	12,016	14,604	12,554	15,946	9,046
\$	Panama . . . . .	849	1,329	1,092	1,205	612	624	1,040	17	919	18
\$	Cuba . . . . .	614	840	797	1,094	239	3,705	2,882	2,869	5,124	1,375
\$	Venezuela . . . . .	3,660	3,417	9,948	3,289	1,586	131	54	475	479	259
\$	Peru . . . . .	779	619	854	897	237	1,879	1,096	1,734	2,852	3,055
\$	Chile . . . . .	744	677	1,501	1,050	316	860	2,052	679	594	611
0	Brazil . . . . .	2,110	2,291	3,046	10,785	9,904	6,438	7,535	3,329	5,805	1,301
£△	Argentina . . . . .	1,864	2,814	3,590	1,891	1,419	2,383	2,943	4,047	3,218	1,851
0	Egypt . . . . .	388	865	1,806	1,866	937	1,374	853	1,642	1,838	1,304
£	British West Africa . . .	5,977	6,714	5,354	6,526	3,202	1,098	480	773	746	623
\$	Liberia . . . . .	9,381	28,483	6,713	27,362	6,762	221	238	7	261	28
\$	Ghana . . . . .	2,409	2,334	1,904	2,011	1,173	204	221	519	235	244
\$	British South Africa . . .	2,672	3,017	3,327	5,430	1,543	2,004	1,707	1,650	1,468	1,626
£	Union of South Africa . . .	3,581	3,709	3,343	5,414	2,378	2,144	3,474	4,106	3,243	3,732
£	Australia . . . . .	7,906	7,815	6,284	10,586	3,688	26,180	24,117	27,492	32,312	29,670
£	New Zealand . . . . .	729	1,521	1,800	1,415	813	1,111	2,360	2,118	1,936	2,950

Note: 0 denotes open account area; \$, dollar area; £, sterling area. £△ stands for Specified Area A and B.

\*Southeast Asia Total includes Hong Kong, South Vietnam, Cambodia, Laos, Thailand, Malaya, Singapore, the Philippines, Indonesia, Burma, India, Pakistan, and Ceylon. • Revised at source

## 38. Exports by Major Articles

(In million yen)

(Ministry of Finance)

Articles	Unit	1959						1960		1959	
		October		November		December		Jan.		Jan.	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Total Exports . . . . .	—	—	124,361	—	105,211	—	141,939	—	217,731	—	174,575
Food . . . . .	—	—	11,302	—	8,017	—	10,047	—	16,370	—	16,368
Fish & Shellfish . . . . .	m.t.	34,384	9,127	22,137	4,919	34,262	7,884	18,048	8,154	16,770	9,685
Fresh Fish . . . . .	..	11,748	3,135	8,069	978	14,199	1,526	9,959	3,161	7,697	2,564
Tuna . . . . .	..	9,972	1,048	6,278	697	10,818	1,157	8,502	2,422	1,715	2,027
Canned, Bottled Fish . . . . .	..	20,984	7,436	12,922	3,614	17,994	5,897	6,508	4,168	8,032	6,077
Salmon . . . . .	..	11,200	5,137	5,048	2,103	10,620	4,057	2,007	2,000	3,455	3,046
Tuna . . . . .	..	2,246	790	1,097	325	1,162	360	536	422	812	776
Fruit & Vegetables . . . . .	..	8,997	763	24,529	1,592	12,422	965	19,815	5,847	15,289	4,199
Canned, Bottled Fruits . . . . .	..	2,185	289	865	110	3,390	434	12,399	4,541	9,708	3,406
Tea . . . . .	..	595	112	679	115	761	112	546	246	470	201
Beverage & Tobacco . . . . .	—	—	462	—	164	—	194	—	151	—	439
Raw Materials, except Fuels . . . . .	—	—	4,545	—	3,959	—	4,178	—	6,013	—	4,440
Lumber . . . . .	c.u.m.	39,381	899	32,618	750	42,176	959	27,262	1,699	22,625	1,288
Textile Fibre & Waste . . . . .	m.t.	4,778	3,208	4,156	2,775	5,657	2,681	3,224	3,256	2,446	2,301
Raw Silk . . . . .	..	797	2,448	679	2,161	551	1,838	217	2,009	176	1,310
Mineral Fuels . . . . .	—	—	359	—	314	—	999	—	1,571	—	83
Animal & Vegetable Oils . . . . .	—	—	354	—	729	—	778	—	664	—	656
Animal Oil . . . . .	m.t.	804	149	6,199	566	6,897	610	224	343	254	245
Whale Oil . . . . .	..	430	31	5,788	377	6,479	402	3	17	—	—
Vegetable Oil . . . . .	..	1,972	203	1,672	161	1,512	165	1,040	319	1,549	407
Chemicals, Drugs . . . . .	—	—	5,295	—	4,016	—	5,446	—	10,145	—	12,509
Pharmaceuticals . . . . .	—	—	502	—	457	—	564	—	1,059	—	908
Chemical Fertilizers . . . . .	m.t.	128,935	2,898	75,862	1,616	91,506	2,089	77,343	4,515	146,158	7,804
Manufactured Products by Materials . . . . .	—	—	48,005	—	47,556	—	63,848	—	94,897	—	81,253
Rubber Goods . . . . .	—	—	940	—	769	—	1,212	—	1,332	—	1,125
Wood & Cork Products . . . . .	—	—	3,071	—	2,672	—	3,854	—	6,687	—	6,163
Plywood . . . . .	1,000 s.m.	8,072	2,352	7,230	2,068	10,558	3,060	6,718	5,439	7,153	4,777
Paper & Related Products . . . . .	m.t.	9,582	1,064	11,297	1,231	15,463	1,630	10,564	3,050	6,693	1,860
Textile Yarns & Fabrics . . . . .	—	—	24,040	—	24,030	—	34,404	—	44,937	—	38,386
Woollen Yarn . . . . .	m.t.	286	386	265	352	371	501	164	650	215	955
Cotton Yarn . . . . .	..	907	567	686	388	1,125	604	328	502	460	839
Rayon Yarn . . . . .	..	1,299	475	1,526	540	1,488	541	1,107	1,110	700	697
Spun Rayon Yarn . . . . .	..	1,529	486	1,525	497	2,759	891	995	886	1,332	1,139
Cotton Fabrics . . . . .	1,000 s.m.	89,041	9,139	88,741	9,073	125,930	13,050	59,451	16,473	52,258	14,853
Silk Fabrics . . . . .	..	8,419	1,784	9,055	1,885	12,900	2,627	2,367	4,138	1,293	2,271
Woollen Fabrics . . . . .	..	2,585	1,590	2,762	1,705	4,000	2,464	15,984	3,626	11,827	2,430
Rayon Fabrics . . . . .	..	16,878	1,391	18,296	1,554	26,889	2,286	25,479	5,502	34,743	6,085
Spun Rayon Fabrics . . . . .	..	16,222	3,340	42,198	3,097	62,238	4,747	—	—	—	—
Non-Metallic Mineral Products . . . . .	—	—	4,145	—	3,765	—	4,672	—	7,766	—	6,881
Cement . . . . .	m.t.	92,784	516	122,785	648	100,977	547	90,514	1,339	95,976	1,474
Glass & Glass Products . . . . .	—	—	675	—	657	—	824	—	1,267	—	1,330
Chinaware . . . . .	—	—	2,208	—	1,800	—	2,315	—	3,624	—	2,980
Pearls . . . . .	kg.	4,471	805	4,072	756	3,886	833	3,419	1,820	3,599	1,419
Base Metals . . . . .	—	—	8,637	—	9,819	—	11,331	—	20,296	—	19,193
Iron & Steel . . . . .	m.t.	132,284	7,916	140,852	8,917	169,623	10,379	112,202	18,914	134,168	17,571
Steel Plates (ungalvanized) . . . . .	..	28,857	1,620	28,700	1,679	37,034	2,112	36,470	5,566	47,397	5,544
Galvanized Steel Plates . . . . .	..	26,179	1,795	24,875	1,726	28,715	2,028	18,390	3,591	17,458	3,170
Non-ferrous Metals . . . . .	..	2,866	721	2,568	902	2,375	952	1,515	1,383	2,639	1,622
Metal Products . . . . .	—	—	4,668	—	3,951	—	5,128	—	7,912	—	5,328
Machinery & Transportation Equipment . . . . .	—	—	33,291	—	23,128	—	33,319	—	53,345	—	32,915
Machinery (excl. electric machines) . . . . .	—	—	6,105	—	6,272	—	7,709	—	10,220	—	6,915
Textile Machines & Parts . . . . .	—	—	978	—	1,432	—	2,018	—	2,371	—	1,371
Sewing Machines . . . . .	—	160,115	1,452	161,655	1,482	207,656	1,933	115,512	2,921	118,560	3,024
Electric Machine . . . . .	unit	—	9,633	—	7,974	—	7,824	—	11,798	—	6,297
Gen. Motors, Trans. & Alternators . . . . .	—	—	1,221	—	635	—	594	—	1,150	—	586
Electric Bulbs . . . . .	1,000 pcs.	26,359	269	14,949	191	30,502	328	18,459	540	15,742	366
Transportation Equipment . . . . .	—	—	17,553	—	8,881	—	17,786	—	31,327	—	19,703
Railway Rolling Stock & Parts . . . . .	—	—	327	—	514	—	434	—	590	—	959
Buses, Trucks . . . . .	unit	913	715	950	653	1,668	1,396	824	1,994	278	621
Ships . . . . .	G.T.	130,488	15,162	61,277	6,582	117,979	14,399	83,424	26,465	63,674	16,963
Miscellaneous . . . . .	—	—	20,225	—	16,932	—	22,826	—	34,015	—	25,368
Clothing . . . . .	—	—	6,942	—	5,719	—	7,897	—	12,265	—	10,269
Camera . . . . .	unit	113,451	894	96,065	696	89,180	785	47,167	1,207	32,410	757
Toys . . . . .	—	—	3,058	—	2,002	—	2,928	—	4,124	—	3,390
Live Animals not for Food . . . . .	—	—	47	—	29	—	26	—	51	—	59
Re-export Goods . . . . .	—	—	490	—	453	—	277	—	509	—	485

Note: Figures of group total include others than represented. Unit is \$1,000 for January, 1960 and January, 1959.

## 39. Imports by Major Articles

(In million yen)

(Ministry of Finance)

Articles	Units	1959						1960		1959	
		October		November		December		January		January	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Total Imports . . . . .	—	—	107,136	—	104,104	—	134,217	—	330,768	—	240,533
Food . . . . .	—	—	10,108	—	12,351	—	17,060	—	32,738	—	31,069
Cereals & Cereal Preparations . . . . .	m.t.	213,549	4,799	272,817	6,898	414,941	10,652	—	17,792	224,305	14,284
Wheat . . . . .	”	130,653	3,026	147,185	3,566	260,131	6,282	176,686	11,828	125,927	8,407
Rice . . . . .	”	2	0	18,866	1,027	30,004	1,632	2,480	373	0	0
Barley . . . . .	”	15,103	279	—	—	—	—	—	—	14,001	809
Maize (Corn) . . . . .	”	60,848	1,249	100,325	2,071	116,358	2,416	86,087	5,018	79,396	4,529
Fruit & Vegetables . . . . .	”	14,114	911	15,002	923	14,710	1,008	11,162	1,875	10,453	1,749
Sugar & Sugar Preparations . . . . .	”	92,342	2,436	115,352	2,905	122,257	3,324	113,893	8,344	118,100	10,734
Coffee . . . . .	”	735	242	—	490	1,163	396	890	791	731	730
Beverage & Tobacco . . . . .	—	—	50,386	—	71	—	119	—	3,211	—	680
Tobacco . . . . .	—	—	11,010	—	4	—	0	—	3,076	—	482
Raw Materials, except Fuels . . . . .	—	—	53,213	—	51,484	—	69,849	—	176,488	—	108,858
Hides & Skins . . . . .	m.t.	—	1,083	—	789	—	968	—	1,901	—	2,223
Oil Seeds . . . . .	”	77,827	3,376	76,854	3,401	171,846	7,311	175,248	19,228	121,037	13,290
Soy-beans . . . . .	”	35,932	1,304	39,452	1,369	112,901	4,023,135	123,932	11,473	76,805	7,373
Rubber . . . . .	”	18,730	4,466	17,532	4,249	23,080	6,218	21,140	16,644	14,556	8,576
Crude Rubber . . . . .	”	8,793	2,389	10,312	2,822	14,932	4,342	14,281	12,305	10,659	6,398
Lumber & Cork . . . . .	”	—	5,256	—	4,857	—	6,055	—	10,542	—	7,376
Lumber . . . . .	c.m.	562,115	5,189	525,023	4,773	617,198	5,992	377,666	10,353	330,735	7,217
Pulp & Waste Papers . . . . .	—	—	772	—	516	—	634	—	1,716	—	1,125
Textile Fibres & Waste . . . . .	m.t.	77,416	18,257	72,414	18,185	109,254	26,978	96,155	66,693	72,459	48,434
Wool . . . . .	”	12,420	6,285	14,210	7,444	19,144	9,913	18,218	26,486	15,877	18,783
Cotton . . . . .	”	53,608	10,372	45,704	8,923	77,039	14,912	63,711	33,582	43,824	25,019
Cotton, Ginned . . . . .	”	49,916	9,915	42,502	8,548	71,079	14,374	58,584	32,641	40,028	24,103
Hard & Bast Fibres . . . . .	”	9,802	940	10,508	1,029	11,122	1,100	12,384	3,463	11,123	2,495
Fertilizers & Non-metallic Minerals . . . . .	—	—	2,496	—	2,607	—	2,664	—	9,474	—	6,423
Crude Fertilizers . . . . .	m.t.	139,378	771	157,823	914	129,781	742	157,015	2,583	130,980	2,088
Salt . . . . .	”	159,831	487	172,635	538	204,539	632	159,581	1,354	172,680	1,397
Metal Ores & Metal Scrap . . . . .	”	1,640,411	16,897	1,506,578	16,330	1,713,770	18,484	1,484,768	48,493	771,720	19,829
Iron Ore . . . . .	”	1,028,366	5,065	909,401	4,631	1,013,062	5,275	910,342	13,184	509,541	6,868
Scrap Iron . . . . .	”	369,176	6,866	388,072	7,157	379,304	7,246	366,303	20,555	127,393	6,005
Non-ferrous Metal Ores . . . . .	”	235,972	3,726	202,719	3,408	312,983	4,436	199,313	10,056	130,626	5,058
Copper Ore . . . . .	”	28,899	1,682	27,676	1,386	22,903	1,713	32,839	5,260	15,657	1,940
Nickel Ore . . . . .	”	85,378	552	41,127	284	126,890	805	47,518	856	21,812	431
Aluminium Ore . . . . .	”	75,660	359	68,914	250	77,319	282	62,291	653	51,918	575
Manganese Ore . . . . .	”	10,016	99,923	27,183	298	17,210	194	15,909	418	11,872	444
Non-ferrous Metal Scrap . . . . .	”	6,897	1,239	6,386	1,133	8,421	1,525	8,810	4,692	4,160	1,897
Copper Scrap . . . . .	”	95	21	190	51	397	106	1,377	1,013	171	114
Brass Scrap . . . . .	”	5,520	1,029	4,618	846	6,104	1,135	5,679	2,988	3,182	1,507
Mineral Fuels . . . . .	—	—	20,824	—	18,483	—	18,695	—	53,665	—	40,114
Coal . . . . .	m.t.	531,780	3,334	416,319	2,635	392,165	2,453	506,301	8,884	346,027	6,705
Anthracite . . . . .	”	37,144	222	40,041	243	53,912	300	80,037	1,387	58,573	943
Bituminous (for coking) . . . . .	”	53,583	318	35,567	217	32,079	207	27,103	442	38,228	650
Petroleum . . . . .	k.l.	2,745,071	17,164	2,582,792	15,640	2,661,840	15,967	2,606,047	44,290	1,681,913	330,86
Crude & Unrefined . . . . .	”	2,323,400	13,817	2,199,880	12,707	2,376,153	13,805	2,321,947	37,598	1,465,429	28,500
Heavy Oil . . . . .	”	368,944	2,457	349,433	2,289	258,311	1,718	248,127	4,340	203,010	3,637
Animal & Vegetable Oils . . . . .	—	—	801,161	—	889	—	1,384	—	2,620	—	2,491
Animal Fats & Oils . . . . .	m.t.	7,087	500	9,739	617	16,935	905	11,034	1,860	9,529	1,985
Beef Tallow . . . . .	”	6,976	469,786	9,770	604	16,905	895	11,013	1,843	9,456	1,952
Vegetable Oils . . . . .	”	2,711	263	2,035	241	4,644	442	2,384	677	1,483	398
Chemicals, Drugs . . . . .	—	—	7,504	—	6,982	—	7,913	—	19,323	—	16,534
Inorganic Chemicals . . . . .	—	—	428	—	421	—	623	—	1,183	—	635
Organic Chemicals . . . . .	—	—	983	—	1,189	—	1,310	—	2,812	—	2,839
Potassic Fertilizers . . . . .	m.t.	—	1,125	—	1,244	—	909	—	2,277	—	3,490
Synthetic Plastic Materials . . . . .	”	5,263	1,690	4,884	1,459	4,884	1,482	3,693	3,289	3,436	2,846
Manufactured Products by Materials . . . . .	—	—	4,741	—	5,468	—	6,728	—	15,605	—	7,946
Textile Yarns & Fabrics . . . . .	—	—	198	—	184	—	452	—	1,634	—	1,790
Base Metals . . . . .	m.t.	88,186	3,252	95,810	4,183	113,557	5,083	74,424	10,394	14,413	3,889
Iron & Steel . . . . .	”	84,639	1,955	90,111	2,244	104,575	2,613	68,851	5,045	11,569	1,432
Non-ferrous Metals . . . . .	”	3,548	1,296	5,699	1,939	8,932	2,469	5,546	5,349	2,844	2,457
Copper . . . . .	”	874	205	903	219	1,008	260	3,174	2,362	1,316	890
Tin . . . . .	”	779	624	1,162	931	1,198	960	790	1,748	541	1,167
Machinery & Transportation Equipment . . . . .	—	—	8,174	—	6,985	—	10,251	—	23,361	—	29,264
Machinery (excl. electric machines) . . . . .	—	—	4,884	—	5,297	—	7,772	—	15,252	—	24,157
Electric Machines . . . . .	—	—	1,121	—	560	—	943	—	4,026	—	2,400
Transportation Equipments . . . . .	—	—	2,170	—	1,128	—	1,535	—	4,083	—	2,707
Passenger Cars, complete . . . . .	unit	480	159	137	114	108	79	441	1,652	950	1,202
Aircraft & Parts . . . . .	—	—	496	—	248	—	568	—	924	—	693
Miscellaneous . . . . .	—	—	421	—	311	—	1,910	—	554	—	636
Live Animals not for Food . . . . .	—	—	17	—	44	—	62	—	107	—	24
Re-import Goods . . . . .	—	—	151	—	90	—	248	—	248	—	459

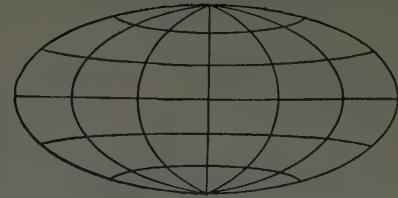
Note: Figures of group total include others items out represented above. Unit is \$ 1,000 for January 1959 and same month in 1960.

## 40. Spot Quotations on Tokyo Securities Exchange

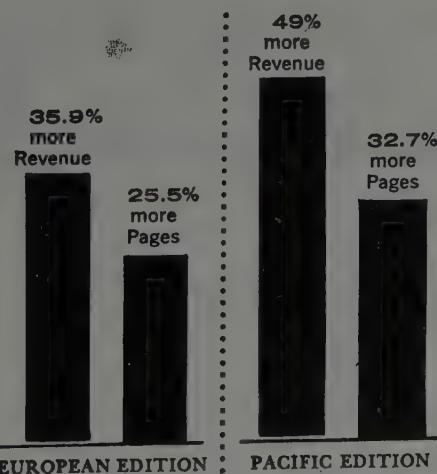
Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1960				Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1960									
			March		April 15	High					High	Low	High						
			High	Low															
<b>Mining</b>																			
Mitsubishi Metal Mining . . . . .	4,095	12	89	73	78			Nippon Oil . . . . .	10,000	12	148	117	158						
Nihon Mining . . . . .	5,670	12	120	99	104			Showa Oil . . . . .	3,000	10	140	119	130						
Sumitomo Metal Mining . . . . .	3,218	12	88	72	79			Maruzen Oil . . . . .	11,025	15	120	101	105						
Mitsui Metal Mining . . . . .	4,800	15	90	77	80			Mitsubishi Oil . . . . .	2,807	10	226	194	203						
Mitsui Mining . . . . .	3,000	—	54	41	50			Toa Nenryo Kogyo . . . . .	5,990	20	394	323	372						
Mitsubishi Mining . . . . .	5,400	—	40	38	40			Mitsubishi Chemical Ind. . . . .	5,950	12									
Sumitomo Coal Mining . . . . .	2,460	5	50	45	45		<b>Rubber, Glass &amp; Ceramics</b>												
Furukawa Mining . . . . .	3,472	5	58	50	55		Yokohama Rubber . . . . .	2,000	10	160	125	163							
Ube Industries . . . . .	9,456	10	80	70	74		Asahi Glass . . . . .	8,000	18	398	240	249							
Teikoku Oil . . . . .	4,000	12	132	113	120		Nippon Sheet Glass . . . . .	2,500	20	344	282	310							
Dowa Mining . . . . .	3,197	10	138	120	120		Nihon Cement . . . . .	5,000	15	171	147	170							
<b>Foodstuffs</b>																			
Nippon Suisan . . . . .	3,500	6	73	67	55		Iwaki Cement . . . . .	1,500	36	635	379	370							
Nippon Flour Mills . . . . .	1,440	15	130	125	75		Onoda Cement . . . . .	12,000	13	99	87	98							
Nissin Flour Milling . . . . .	1,500	16	140	131	138		Nippon Toki . . . . .	800	23	638	503	550							
Dainippon Sugar Mfg. . . . .	792	25	479	403	405		Nippon Gaishi . . . . .	1,000	20	534	447	480							
Taito . . . . .	600	30	385	355	362	<b>Metal Industries</b>													
Japan Beet Sugar Mfg. . . . .	1,350	16	190	146	159	Yawata Iron & Steel . . . . .	38,000	12	115	100	109								
Morinaga Confectionery . . . . .	1,200	30	206	170	175	Fuji Iron & Steel . . . . .	33,000	12	90	80	90								
Meiji Confectionery . . . . .	1,260	18	230	195	Kawasaki Steel . . . . .	16,731	6	79	65	74									
Nippon Breweries . . . . .	2,800	18	403	338	Nippon Kokan . . . . .	23,175	12	78	63	68									
Asahi Breweries . . . . .	2,800	18	442	353	Sumitomo Metal Ind. . . . .	17,812	6	77	58	63									
Kirin Breweries . . . . .	4,151	20	550	392	Kobe Steel . . . . .	12,000	12	96	85	86									
Takara Shuzo . . . . .	5,890	15	147	122	Tokyo Rope . . . . .	800	15	221	208										
Japan Distilling . . . . .	1,155	6	115	84	Japan Light Metal . . . . .	3,630	10	600	465	466									
Honen Oil Mills . . . . .	1,500	17	250	195	Toyo Seikan . . . . .	(A) 1,600	15	1,230	1,200	970									
Nissin Oil Mills . . . . .	1,000	20	181	158	<b>Machinery</b>														
Noda Soy Sauce . . . . .	1,200	21	354	325	Ebara Mfg. . . . .	1,200	20	559	377	484									
Ajinomoto . . . . .	2,296	35	709	496	Nippon Seiko . . . . .	1,600	20	333	219	318									
Nippon Cold Storage . . . . .	3,000	14	108	102	Toyo Bearing . . . . .	1,300	20	406	277	379									
<b>Textiles</b>																			
Toyo Spinning . . . . .	8,062	16	126	110	Koyo Seiko . . . . .	14,000	25	352	242	325									
Kanegafuchi Spinning . . . . .	4,005	12	97	80	<b>Electric Machinery</b>														
Dai Nippon Spinning . . . . .	6,562	18	105	91	Hitachi Ltd. . . . .	30,000	15	260	209	261									
Fuji Spinning . . . . .	3,600	16	81	73	Tokyo Shibaura Electric . . . . .	25,000	15	290	221	295									
Nissin Cotton Spinning . . . . .	2,028	26	210	176	Mitsubishi Electric . . . . .	12,800	15	214	188	211									
Kurashiki Spinning . . . . .	3,200	18	102	95	Fuji Electric Mfg. . . . .	5,400	15	272	239	250									
Nitto Spinning . . . . .	1,700	12	79	74	Furukawa Electric . . . . .	6,000	12	135	119	126									
Ohmi Kenshi Spinning . . . . .	3,000	8	59	48	Nippon Electric . . . . .	8,000	15	712	429	612									
Japan Wool Textile . . . . .	2,716	20	120	109	<b>Transportation Equipment</b>														
Daito Woollen Spinning . . . . .	1,500	15	77	69	Mitsubishi Shipbuilding & Engineering . . . . .	11,200	12	107	91	106									
Teikoku Textile . . . . .	1,220	8	50	40	Mitsubishi Nippon Heavy Ind. . . . .	9,000	12	134	□ 79	92									
Teikoku Rayon . . . . .	5,557	12	117	97	Mitsui Shipbuilding & Engineering . . . . .	4,500	15	102	86	90									
Toyo Rayon . . . . .	12,000	18	311	261	Mitsubishi Heavy Ind. Reorg. . . . .	12,348	12	239	208	243									
Toho Rayon . . . . .	1,545	8	84	68	Ishikawajima Heavy Ind. . . . .	5,200	12	109	92	118									
Mitsubishi Rayon . . . . .	2,480	12	106	89	Nissan Motor . . . . .	6,930	15	368	266	336									
Kurashiki Rayon . . . . .	3,000	15	165	135	Isuzu Motor . . . . .	5,000	16	231	175	224									
Asahi Chemical . . . . .	(B) 8,000	18	290	225	Toyota Motor . . . . .	10,500	20	583	389	542									
<b>Paper &amp; Pulp</b>																			
Kokoku Pulp . . . . .	3,120	—	33	25	<b>Precision Machinery</b>														
Sanyo Pulp . . . . .	3,176	10	54	50	Nippon Kogaku . . . . .	582	—	211	□ 185	216									
Nippon Pulp Ind. . . . .	1,600	12	78	66	Canon Camera . . . . .	1,600	10	242	206	232									
Kokusaku Pulp . . . . .	2,144	5	60	50	<b>Other Manufacturing Industries</b>														
Oji Paper . . . . .	2,588	5	56	48	Toppan Printing . . . . .	750	18	470	377	415									
Honshu Paper . . . . .	5,000	23	155	133	Nippon Musical Instrument . . . . .	1,000	20	925	770	845									
Jujo Paper . . . . .	2,000	8	149	123	<b>Trading Companies</b>														
Mitsubishi Paper Mills . . . . .	2,760	26	223	200	Mitsui Bussan . . . . .	6,223	14	524	415	480									
	2,300	15	144	□ 85	Mitsubishi Shoji . . . . .	10,000	14	356	□ 210	219									
<b>Chemical Industries</b>																			
Toyo Koatsu Ind. . . . .	7,787	4	103	85	Mitsukoshi . . . . .	3,645	20	215	196	211									
Nitto Chem. Ind. . . . .	4,152	5	113	109	<b>Real Estate</b>														
Showa Denko . . . . .	9,000	12	196	165	Mitsui Real Estate . . . . .	1,300	15	710	□ 515	490									
Sumitomo Chemical . . . . .	8,000	12	268	225	Mitsubishi Estate . . . . .	5,160	15	372	315	355									
Shin Nippon Chisso Hiryo . . . . .	4,500	12	175	127	Heiwa Real Estate . . . . .	1,323	12	311	□ 196	199									
Nissan Chemical Ind. . . . .	2,163	—	93	74	<b>Transportation &amp; Shipping</b>														
Nippon Soda . . . . .	1,696	8	86	71	Tobu Railways . . . . .	2,400	12	133	126										
Toyo Soda . . . . .	1,530	15	120	85	Tokyo El. Express Railway . . . . .	4,500	12	110	98	127									
Toa Gosei Chemical Ind. . . . .	2,917	10	107	94	Nippon Express . . . . .	(B) 21,600	14	140	120	100									
Electro-Chemical Ind. . . . .	2,597	5	130	113	Nippon Yusen . . . . .	11,400	—	67	50	57									
Shin-etsu Chemical Ind. . . . .	2,200	12	125	98	Osaka Shosen . . . . .	7,600	—	36	30	36									
Mitsui Chemical Ind. . . . .	3,200	12	116	98	Nitto Steamship . . . . .	6,000	—	45	38	41									
Kyowa Fermentation . . . . .	3,200	10	139	105	Mitsui Steamship . . . . .	5,500	—	49	40	49									
Dainippon Celluloid . . . . .	2,460	10	139	105	Iino Kaiun . . . . .	13,200	—	33	29	29									
Nippon Chemical Ind. . . . .	2,251	6	114	96	Mitsubishi Shipping . . . . .	4,800	—	44	38	39									
Sankyo . . . . .	800	15	99	87	<b>Warehouse &amp; Entertainment</b>														
Fuji Photo Film . . . . .	1,320	18	158	130	Mitsubishi Warehouse . . . . .	1,200	10	100	90										
Konishiroku Photo Ind. . . . .	2,500	18	235	204	Shochiku Motion Picture . . . . .	2,772	12	66	58										
Tokyo Electric Power . . . . .	1,800	—	123	106	Nikkatsu . . . . .	3,366	10	60	52										
Tokyo Gas . . . . .	(A) 45,000	10	584	530															

Notes: (A) 500 yen shares. (B) 100 yen shares. Reet are all 50 yen. □ ex-new

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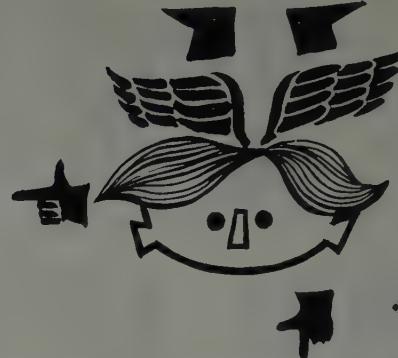


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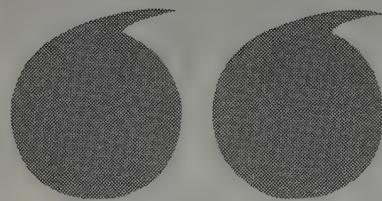


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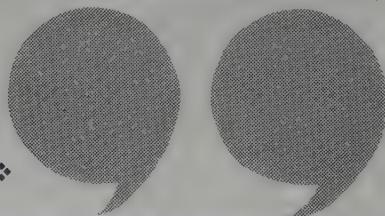
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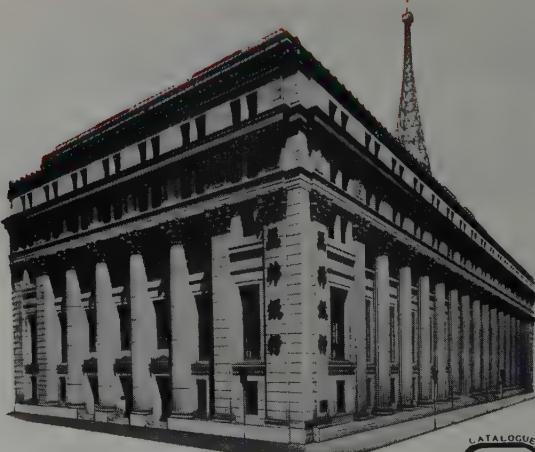
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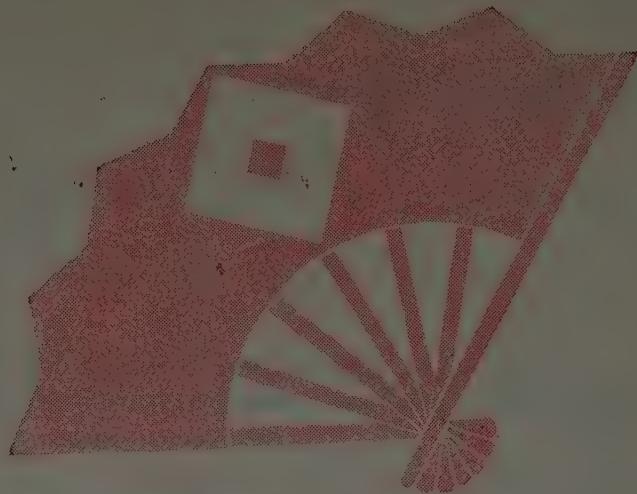
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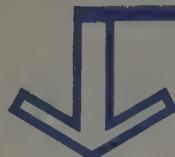
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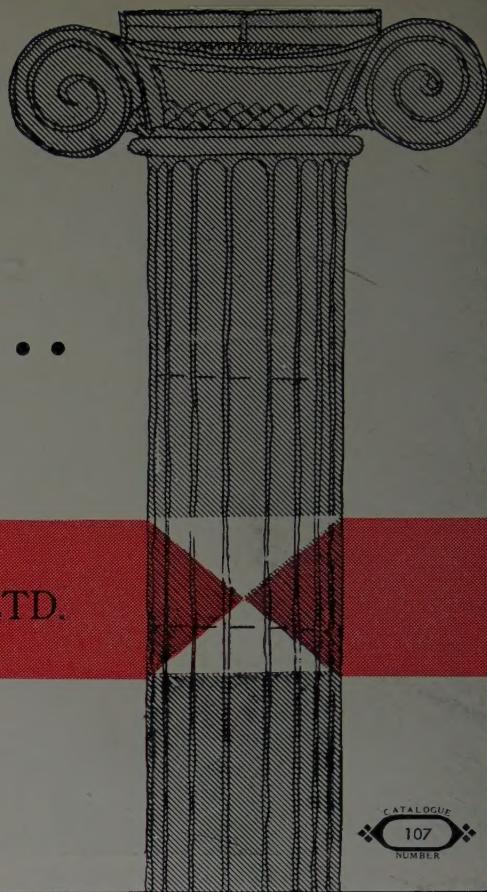
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